



U.S. DEPARTMENT OF COMMERCE | **Bureau of Industry and Security**

Fiscal Year 2022
President's Budget Submission

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Department of Commerce
BUREAU OF INDUSTRY AND SECURITY
Budget Estimates, Fiscal Year 2022 President’s Submission
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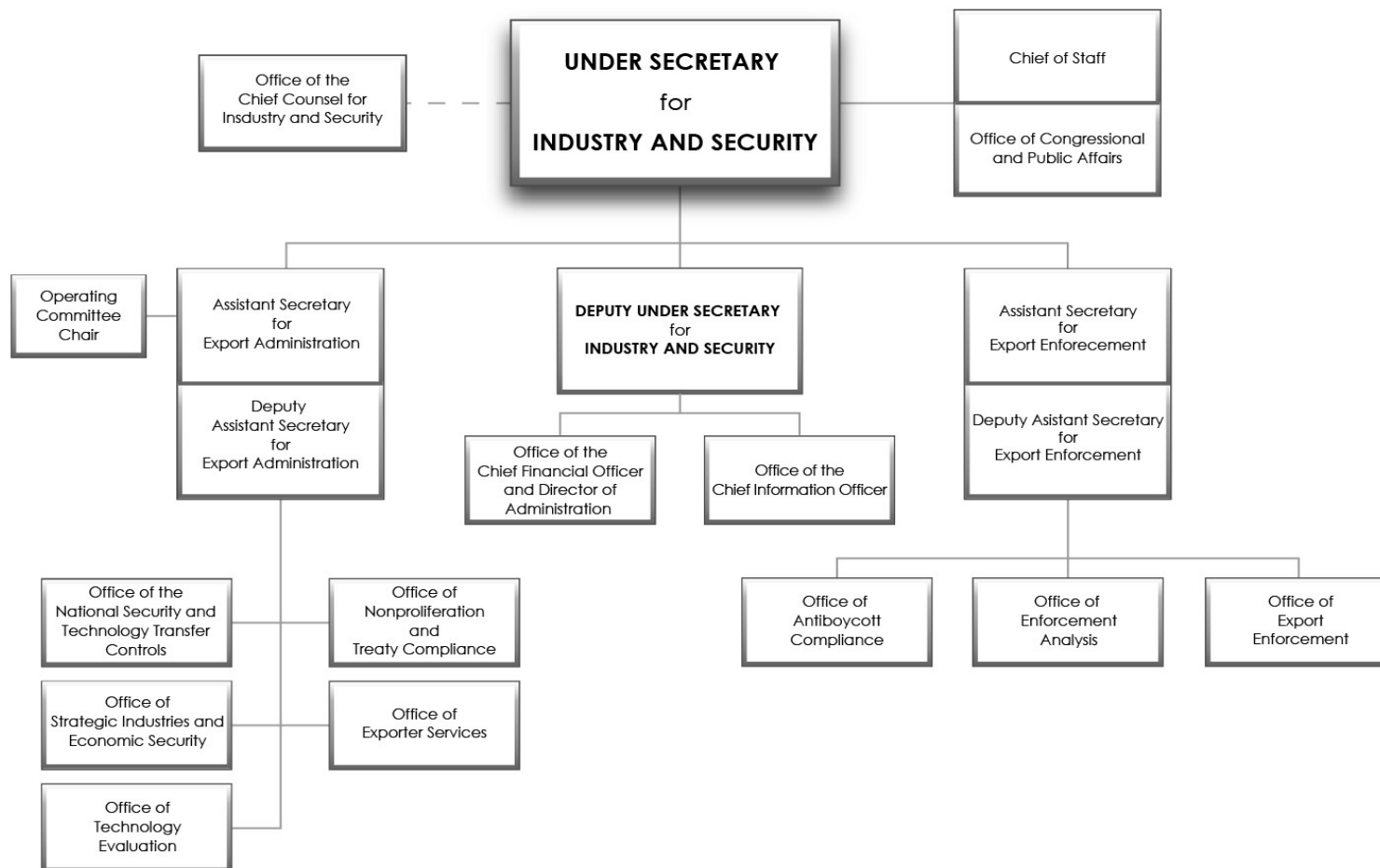
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Organization Chart



BUREAU OF INDUSTRY AND SECURITY

U.S. Department of Commerce



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**Department of Commerce
Bureau of Industry and Security
President’s Budget Submission to Congress, Fiscal Year 2022
Executive Summary**

The Bureau of Industry and Security (BIS) accomplishes its mission of advancing 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. Our efforts include ongoing identification of sensitive items, including emerging and foundational technologies, maintaining robust enforcement of controls, ensuring that U.S. and foreign businesses understand and comply with the Export Administration Regulations (EAR) through ongoing education, and building consensus among international partners to protect U.S. national security.

BIS continues to play a critical role in advancing key national security and foreign policy priorities by effectively utilizing the bureau’s policy and technical expertise, comprehensive outreach programs and its regulatory and enforcement authorities. BIS is strengthening efforts to implement policies and engage in enforcement activities that address strategic national security threats and foreign policy objectives. These threats include attempts by arms embargoed countries, such as China, to obtain U.S. technology and commodities to improve their military capabilities, the proliferation of weapons of mass destruction, and ongoing terrorist activities. The foreign policy objectives include protection of human rights.

The Bureau of Industry and Security (BIS) requests an FY 2022 appropriation for discretionary spending totaling \$142.410 million and 455 positions to meet its mission goals of advancing U.S. national security, foreign policy, and economic objectives.

At this request level in FY 2022, BIS will continue to execute support for Presidential, Secretarial, and Administration priorities, as well as implementing the Export Control Reform Act of 2018 (ECRA). This advances national security and enhances comprehensive export license assessment and compliance program efforts. In recent years, the U.S. intelligence community and private security analysts have raised concern about the proliferation, in the U.S. telecommunications infrastructure, of hardware, software, components, and services originating from companies controlled or influenced by potential foreign adversaries. The information and communications technology and services (ICTS) supply chain is critical to nearly every aspect of U.S. national security. U.S. business and governments at all levels rely heavily on ICTS, which: underpin our economy; support critical infrastructure and emergency services; and facilitate the nation’s ability to store, process, and transmit vast amounts of data, including sensitive information, that is used for personal, commercial, government, and national security purposes. BIS requests \$2.107 million and 7 positions in FY 2022 to support enforcement activities of this effort. Ensuring the resilience of, and trust in, the ICTS supply chain is an issue that touches upon national security, including economic security, and public health and safety.

Maintaining BIS’s advances in effecting enforcement goals and priorities that continuously encourage compliance, prevent and deter violations, disrupt illicit activities, and bring violators to justice will remain a primary focus in FY 2022. The Office of Export Enforcement (EE) will focus on national security investigations involving illegal exports and countering illicit procurement both domestically and internationally. The program also expects to enhance its data analytics to identify and prioritize non-compliant activities, alert U.S. companies of suspicious transactions, and execute complex criminal and administrative investigations to enforce the EAR.

BIS has recently undertaken several important regulatory actions in response to Administration priorities. In FY 2022, BIS will continue to evaluate and redefine how these actions and other BIS current export control policies will be applied and the opportunity for necessary changes to broaden the associated enforcement protocols. These regulatory actions include:

- ❖ *Revise controls to better ensure U.S.-origin items are not used to abuse human rights;*
- ❖ *Implement multilateral controls on additional cyber surveillance tools;*
- ❖ *Publish additional controls on emerging and foundational technology;*
- ❖ *Continue to add parties to the Entity List to address national security and foreign policy concerns; and*
- ❖ *Continue to revise controls to capture chokepoint technologies in key sectors.*

Technical Transfer:

BIS also requests the following transfers for a net change of \$7 thousand and 0 Positions to the operating unit:

From Office	Subactivity	To Office	Subactivity	Amount
BIS	Operations and Administration	DM	Salaries and Expenses	\$7,000 / 0 FTE / 0 Positions

The Department of Commerce (DOC) is proposing to transfer two projects and funding out of the Working Capital Fund to the Departmental Management Salaries and Expenses account as part of its annual review to properly align and account programs and costs. This transfer executes the Bureau of Industry and Security portion of the DOC transfer. For more information regarding the specific projects and funding transfers for the Department of Commerce, please refer to Exhibit 3 of the Departmental Management FY 2022 President’s Budget.

Performance:

For current Government Performance and Results Act (GPRA) targets please see the FY 2022/2020 Annual Performance Plan and Report.

Adjustments:

Inflationary Adjustments

The BIS FY 2022 Base includes a total of \$8.151 million to account for the full funding requirement for inflationary adjustments to current programs for its activities. This includes the estimated FY 2022 civilian pay raise of 2.7% as well as inflationary increases and adjustments to base (ATBs) for estimated labor and non-labor activities, including benefits, service contracts, utilities, field office lease payments, and rent charges from the General Services Administration (GSA).

Functional Category (dollar amounts in millions):

	FY 2020 Actuals	FY 2021 Enacted	FY 2022 Estimate
054 Defense Related Activities:	\$72.470	\$75.121	\$79.807
376 Other Advancement of Commerce:	\$55.182	\$57.879	\$62.603
Total:	\$127.652	\$133.000	\$142.410

Department of Commerce
Bureau of Industry and Security
Operations and Administration
Functional Classification 054 Defense Related Activities
(Dollar amounts in millions)

	FY 2020 Actuals	FY 2021 Enacted	FY 2022 Estimate
Export Administration	\$27.847	\$28.912	\$30.749
Export Enforcement	\$44.623	\$46.209	\$49.058
Total BIS 054 Funding	\$72.470	\$75.121	\$79.807

Existing functional classification(s):

The Bureau of Industry and Security (BIS) has two functional classifications 054: Defense Related Activities and 376: Other advancement of commerce.

BIS 054 Funding Changes between Fiscal Years:

The FY 2020 054 allocation for the Bureau of Industry and Security is \$72.470 million and estimated at \$75.121 million for FY 2021. The FY 2022 054 allocation estimate increases to \$79.807 million, an increase of \$4.686 million.

Justification for changes:

Over the past several years, BIS has followed a formulaic approach to its 054 allocation that has moved away from a more intentional “bottom-up” program-by-program definition. For FY 2022, BIS corrects this with the seven activities that were split in their classification between Function 376 and Function 054 now classified as 054.

The funding for operating the BIS national security activities that support the 054 classification of Defense Related Activities has increased over the last several years. With the implementation of the Export Control Reform Act of 2018 (ECRA), as enacted under P.L. 115-232, and the transition of the oversight for Category I, II and III firearms, BIS has expanded roles and responsibilities for administering and enforcing export controls in the area of firearms and related items transferred from the Department of State’s U.S. Munitions List to the Commerce Control List, emerging and foundational technologies and human rights. BIS has also increased the work being done on multilateral export controls in the area of nuclear, missile, chemical and biological controls, and multilateral export

controls under the Wassenaar Arrangement, which deals with conventional arms and related sensitive dual-use items. The associated resources for executing these programs have increased by more than 50 percent since 2012.

In addition, BIS has experienced an increase in a majority of its enforcement programs which include investigating criminal and administrative violations and imposing civil sanctions for violations of the Export Administration Regulations (EAR), ECRA, the Chemical Weapons Convention Implementation Act (CWCIA), the Fastener Quality Act (FQA), and related statutes and regulations. Consistent with national security priorities, Export Enforcement prioritizes its enforcement activities on cases relating to the proliferation of Weapons of Mass Destruction (WMD), terrorism, and military diversion. Also, within the Bureau of Industry and Security, the Office of Enforcement Analysis (OEA) monitors and evaluates export transactions and combines trade data – uniquely available to the Department of Commerce under proper safeguards – with private, public, and government-classified and unclassified information to support compliance with the EAR, the CWC, and related laws and regulations related to dual-use items. These are in direct support of the national defense programs.

054 Defense-related activities		<i>(\$ millions)</i>
1	Overseas Enforcement.....	\$4.818
2	Export Enforcement.....	\$44.240
3	National Security and Technology Transfer Control.....	\$7.501
4	Chemical Weapons Convention.....	\$3.681
5	Technology Evaluation.....	\$9.325
6	Nonproliferation and Treaty Compliance.....	\$5.348
7	Non-CFIUS portion of Strategic Industries and Economic Security.....	\$4.894
<i>BIS 054 total for FY 2022</i>		<i>\$79.807</i>

**Numbers above reflect only the 054 Defense-related activities portion of BIS' budget authority. The Bureau of Industry and Security requested \$142.410 million in the 2022 President's Budget.*

Department of Commerce
BUREAU OF INDUSTRY AND SECURITY
Operations and Administration
Transfer Change Detail by Object Class
(Direct Obligations amounts in thousands)

Activity: Operations and Administration

Subactivity: Transfer to Departmental Management Salaries and Expenses Account

Object Class	FY 2021 Enacted	FY 2022 Transfer	FY 2022 Base
11.1 Full-time permanent compensation	56,671	0	56,671
11.3 Other than full-time permanent	573	0	573
11.5 Other personnel compensation	5,076	0	5,076
11.8 Special personnel services payments	0	0	0
11.9 Total personnel compensation	62,320	0	62,320
12 Civilian personnel benefits	24,472	0	24,472
13 Benefits for former personnel	21	0	21
21 Travel and transportation of persons	785	0	785
22 Transportation of things	195	0	195
23 Rent, communications, and utilities			
23.1 Rental payments to GSA	5,588	0	5,588
23.2 Rental Payments to others	0	0	0
23.3 Communications, utilities and misc. charges	2,978	0	2,978
24 Printing and reproduction	15	0	15
25.1 Advisory and assistance services	4,354	0	4,354
25.2 Other services from non-Federal sources	9,094	0	9,094
25.3 Other goods and services from Federal sources	18,552	(7)	18,545
25.4 Operation and maintenance of facilities	0	0	0
25.5 Research and development contracts	0	0	0
25.6 Medical care	0	0	0
25.7 Operation and maintenance of equipment	0	0	0
25.8 Subsistence and support of persons	0	0	0

Exhibit – 3T

26	Supplies and materials	1,986	0	1,986
31	Equipment	2,632	0	2,632
32	Lands and structures	0	0	0
33	Investments and loans	0	0	0
41	Grants, subsidies and contributions	0	0	0
42	Insurance claims and indemnities	0	0	0
43	Interest and dividends	8	0	8
44	Refunds	0	0	0
99	Total obligations	<u>133,000</u>	<u>(7)</u>	<u>132,993</u>

Department of Commerce
BUREAU OF INDUSTRY AND SECURITY
FY 2022 Program Increases, Decreases & Terminations
(Dollar amounts in thousands)
(By Appropriation, Largest to Smallest)

Increases

Page No.	Appropriation	Budget Program	Title of Increase	Pos.	Budget Authority
BIS-49	Operations and Administration	Export Enforcement	Securing the Information and Communications Technology and Services Supply Chain (ICTS)	4	1,458
BIS-36	Operations and Administration	Export Administration	Securing the Information and Communications Technology and Services Supply Chain (ICTS)	3	586
BIS-21	Operations and Administration	Management Policy and Coordination	Securing the Information and Communications Technology and Services Supply Chain (ICTS)	0	63
Subtotal, Increases				7	2,107

Decreases

Page No.	Appropriation	Budget Program	Title of Decrease	Pos.	Budget Authority
BIS-54	Operations and Administration	Export Enforcement	Export Control Officer (ECO) Program	0	(841)
Subtotal, Decreases				0	(841)

Terminations

Page No.	Appropriation	Budget Program	Title of Increase	Pos.	Budget Authority
No Program Terminations					
Subtotal, Terminations					

Department of Commerce
BUREAU OF INDUSTRY AND SECURITY
FY 2022 Transfer Summary Table
(Dollar amounts in thousands)
(Grouped by Title of Transfer, largest to smallest)

Page No.	Budget Program	Appropriations	Title of Transfer	Pos.	Budget Authority
	Program Management and GAO/IG Audit Liaison	Salaries and Expenses	Dissemination Transfer (To DM)	0	7
	Export Administration	Operation and Administration	Dissemination Transfer (From BIS)	0	(3)
	Export Enforcement	Operation and Administration	Dissemination Transfer (From BIS)	0	(4)
Total, Transfers				0	0

**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
Enacted, 2021	448	448	133,000	140,612
Less: Estimated Recoveries, 2021				(6,000)
Less: Unobligated balance, start of year, 2021				(2,612)
Plus: Unobligated balance, end of year, 2021				1,000
2022 Adjustments to Base				
Plus: Inflationary adjustments to base	0	0	8,144	8,144
2022 Base	448	448	141,144	141,144
Plus: 2022 Program changes	7	5	1,266	1,266
2022 Estimate	455	453	142,410	142,410

			FY 2020		FY 2021		FY 2022		FY 2022		Increase/Decrease	
			Actual		Enacted		Base		Estimate		from FY 2022 Base	
Comparison by: activity/subactivity with totals by activity			Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount
BIS	Management and	Pos./BA	10	4,043	16	4,208	16	4,487	16	4,550	0	63
17	Policy Coordination	FTE/Obl.	9	4,067	16	4,405	16	4,487	16	4,550	0	63
BIS	Export	Pos./BA	167	56,925	209	59,775	209	63,506	212	64,092	3	586
25	Administration	FTE/Obl.	158	56,875	209	60,661	209	63,506	211	64,092	2	586
BIS	Export	Pos./BA	192	66,684	223	69,017	223	73,151	227	73,768	4	617
41	Enforcement	FTE/Obl.	185	74,279	223	75,546	223	73,151	226	73,768	3	617
	Total	Pos./BA	369	127,652	448	133,000	448	141,144	455	142,410	7	1,266
		FTE/Obl.	352	135,221	448	140,612	448	141,144	453	142,410	5	1,266
	Adjustments for:											
	Recoveries			(9,150)		(6,000)						
	Unobligated balance, start of year			(1,031)		(2,612)				(1,000)		
	Unobligated balance transferred											
	Unobligated balance, end of year			2,612		1,000				1,000		
	Unobligated balance expiring											
	Financing from transfers:											
	Transfer from other accounts (-)											
	Transfer to other accounts (+)											
	Appropriation			127,652		133,000		141,144		142,410		1,266

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

Comparison by activity:		FY 2020		FY 2021		FY 2022		FY 2022		Increase/Decrease	
		Actual		Enacted		Base		Estimate		from FY 2022 Base	
		FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
Management and	Pos./BA	0	4	0	3	0	3	0	3	0	0
Policy Coordination	FTE/Obl.	0	3	0	3	0	3	0	3	0	0
Export	Pos./BA	4	2,336	5	3,691	5	3,691	5	3,691	0	0
Administration	FTE/Obl.	2	1,943	5	3,691	5	3,691	5	3,691	0	0
Export	Pos./BA	0	131	0	106	0	106	0	106	0	0
Enforcement	FTE/Obl.	0	109	0	106	0	106	0	106	0	0
Reimbursable	Pos./BA	4	2,471	5	3,800	5	3,800	5	3,800	0	0
Obligations	FTE/Obl.	2	2,055	5	3,800	5	3,800	5	3,800	0	0
Adjustments to Obligations											
Recoveries											
Unobligated balance, start of year			(1,951)		(2,367)		(2,367)		(2,367)	0	0
Unobligated balance, rescission											
Unobligated balance, end of year			2,367		2,367		2,367		2,367	0	0
Unobligated balance expiring											
Reimbursable Authority			2,471		3,800		3,800		3,800	0	0

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

	FY 2020 Actual	FY 2021 Enacted	FY 2022 Base	FY 2022 Estimate	Increase/Decrease from FY 2022 Base
Total Obligations	137,276	144,412	144,944	146,210	1,266
Offsetting collections from:					
Federal funds	(1,903)	(2,000)	(2,000)	(2,000)	0
Trust funds	(568)	(1,800)	(1,800)	(1,800)	0
Non-Federal sources	0	0	0	0	0
Recoveries	(9,150)	(6,000)			
Unobligated balance, start of year	(2,982)	(4,979)	(3,367)	(3,367)	0
Unobligated balance transferred					
Unobligated balance, end of year	4,979	3,367	3,367	3,367	0
Unobligated balance expiring					
Budget Authority	127,652	133,000	141,144	142,410	1,266
Financing:					
Transfer from other accounts (-)	0	0	0	0	0
Transfer to other accounts (+)	0	0	0	0	0
Appropriation	127,652	133,000	141,144	142,410	1,266

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

	FTE	Amount
Transfer of Estimates: Transfer to Departmental Management Salaries and Expenses Account		(7)
Other Changes:		
2021 Pay raise (CY)		185
2022 Pay raise (BY)		1,718
Civil Service Retirement System (CSRS)		(10)
Federal Employees Retirement System (FERS)		770
Thrift Savings Plan		1,582
Federal Insurance Contribution Act (FICA) – OASDI		157
Health Insurance		156
Employee Compensation Fund		(24)
Travel:		
Mileage		(1)
Per Diem		8
Rental payments to GSA		316
GSA Furniture and IT Program (FIT) - NEW		532
Working Capital Fund, Departmental Management		2,180
General Pricing Level (GPL) Adjustment:		
Transportation of things		4
Communications, utilities, and miscellaneous charges		57
Other Services		121
Supplies and materials		38
Equipment		50
Export Control Officers (ECO) Operations		115
Continuous Diagnostics and Mitigation (CDM) Charges		19
Enterprise Services- Direct Billing		83
Federal Protective Services		47
International Cooperative Administrative Support Services (ICASS)		31
Capital Security Cost Sharing Program (CSCSP/MCSP)		17
Subtotal, other changes:	0	8,151
Total, adjustments to base:	0	8,144

Department of Commerce
BUREAU OF INDUSTRY AND SECURITY
Operations and Administration
Program and Performance: Direct Obligations, Management & Policy Coordination
(Dollar amounts in thousands)

Activity: Management and Policy Coordination

Line Item		FY 2020		FY 2021		FY 2022		FY 2022		Increase/Decrease	
		Actual		Enacted		Base		Estimate		from FY 2022 Base	
		Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount
Management and	Pos./BA	10	4,043	16	4,208	16	4,487	16	4,550	0	63
Policy Coordination	FTE/Obl.	9	4,067	16	4,405	16	4,487	16	4,550	0	63
Total	Pos./BA	10	4,043	16	4,208	16	4,487	16	4,550	0	63
	FTE/Obl.	9	4,067	16	4,405	16	4,487	16	4,550	0	63

Department of Commerce
BUREAU OF INDUSTRY AND SECURITY
Operations and Administration
Program and Performance: Reimbursable Obligations, Management & Policy Coordination
(Dollar amounts in thousands)

Activity: Management and Policy Coordination

Line Item		FY 2020		FY 2021		FY 2022		FY 2022		Increase/Decrease	
		Actual		Enacted		Base		Estimate		from FY 2022 Base	
		Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount
Management and	Pos./BA	0	4	0	3	0	3	0	3	0	0
Policy Coordination	FTE/Obl.	0	3	0	3	0	3	0	3	0	0
Total	Pos./BA	0	4	0	3	0	3	0	3	0	0
	FTE/Obl.	0	3	0	3	0	3	0	3	0	0

Department of Commerce
BUREAU OF INDUSTRY AND SECURITY
Operations and Administration
Justification of Program and Performance, Management & Policy Coordination
(Dollar amounts in thousands)

Activity: Management Policy and Coordination (MPC)

Goal Statement

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.

Base Program

Management and Policy Coordination (MPC) funds the Office of the Under Secretary for Industry and Security and supporting offices. MPC officials provide leadership, management, and policy guidance to the Assistant Secretaries in their areas of responsibility, in direct support of BIS priorities, goals, and objectives.

Statement of Operating Objectives

- Collaborate with U.S. government agencies and departments, including the Departments of Defense, State, Homeland Security, and Energy, as well as the National Security Council, and the Intelligence Community.
- Protect United States national, cyber, economic, and homeland security.
- Enable the United States to maintain its military superiority by promoting a strong, vibrant defense industrial base capable of innovating and developing technologies second to none.
- Partner with the private sector where possible, through public-private partnerships and market-based solutions.

Explanation and Justification

Line Item		FY 2020 Actual		FY 2021 Enacted		FY 2022 Base	
		Personnel	Amount	Personnel	Amount	Personnel	Amount
Management and	Pos./BA	10	4,043	16	4,208	16	4,487
Policy Coordination	FTE/Obl.	9	4,067	16	4,405	16	4,487

MPC supports the Secretary of Commerce as the BIS management body having responsibility to represent the Department in ongoing interagency dialogues with the Departments of Defense, State, Justice, Energy, and Homeland Security, as well as the U.S. Trade Representative, Intelligence Community, and the National Security Council. Issues involve national security, nonproliferation, export controls, and strategic industries.

Support includes BIS policy, activity, planning, and subject matter expert (SME) resources to help the Secretary and Department meet their goals and objectives:

- Prepare reports and Congressional testimony encompassing BIS activities, policies, plans and objectives; and
- Furnish to the Department requested data and expertise in export administration and enforcement, as well as export control violation abatement and industry outreach in pursuit of U.S. global economic progress.

As the BIS management body, MPC responsibilities encompass statutory, regulatory, policy, procedural, and strategic guidance to Bureau programs and operations. While relying on programs for their individual operational expertise, MPC also supports programs and the Department through facilitation of Bureau operations, by managing the instrumentation programs need for their support:

- Establishing the overall BIS policy agenda;
- Coordinating agreement on BIS priorities, bureau goals, unit objectives, and key metrics;
- Evaluating program performance for consistency with priorities, goals, objectives and metrics;
- Furnishing an internal enterprise network to accommodate and help manage BIS data;
- Coordinating BIS funding among programs and engaging the Department, Office of Management and Budget, and Congress;
- Assisting the Department with developing funding levels for BIS requirements;
- Performing overall oversight of program operations and expenditures;
- Executing or directly supervising the execution of selected policy initiatives; and
- Adjudicating appeals of licensing and enforcement decisions.

Department of Commerce
BUREAU OF INDUSTRY AND SECURITY
Operations and Administration
Program Changes for FY 2022, Management & Policy Coordination
(Dollar amounts in thousands)

		FY 2022		FY 2022		Increase/Decrease	
		Base		Estimate		from FY 2022 Base	
		Personnel	Amount	Personnel	Amount	Personnel	Amount
Management Policy	Pos./BA	16	4,487	16	4,550	0	63
and Coordination	FTE/Obl.	16	4,487	16	4,550	0	63

Securing the Information and Communication Technology and Services Supply Chain (\$63, 0 FTE/0 Position) - This proposed program increase of \$62,705 to the Management Policy and Coordination program is necessary in order to provide required resources, support for criminal investigators, analysts, and an attorney, to provide a credible enforcement and penalty capability to accompany implementation of the information and communications technology and services (ICTS) rule. The additional personnel will work with partners within Commerce including NTIA and other agencies to include the FBI to counter foreign adversaries in efforts to exploit U.S. ICTS. The ICTS supply chain is critical to nearly every aspect of U.S. national security. U.S. business and governments at all levels rely heavily on ICTS, which: underpin our economy; support critical infrastructure and emergency services; and facilitate the nation’s ability to store, process, and transmit vast amounts of data, including sensitive information, that is used for personal, commercial, government, and national security purposes. The ICTS supply chain must be secure to protect our national security, including the economic strength that is an essential element of our national security. Ensuring the resilience of, and trust in, our ICTS supply chain is an issue that touches upon national security, including economic security, and public health and safety.

Performance Measures:	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
With program change:	Will allow investigations into allegations of violations of the ICTS rule	Will allow investigations into allegations of violations of the ICTS rule	Will allow investigations into allegations of violations of the ICTS rule	Will allow investigations into allegations of violations of the ICTS rule	Will allow investigations into allegations of violations of the ICTS rule
Without program change:	Vulnerabilities to data integrity can be created by a foreign adversary's hardware and software into U.S. networks and systems.	Vulnerabilities to data integrity can be created by a foreign adversary's hardware and software into U.S. networks and systems.	Vulnerabilities to data integrity can be created by a foreign adversary's hardware and software into U.S. networks and systems.	Vulnerabilities to data integrity can be created by a foreign adversary's hardware and software into U.S. networks and systems.	Vulnerabilities to data integrity can be created by a foreign adversary's hardware and software into U.S. networks and systems.
Outyear Cost:					
Direct Obligations:					
Uncapitalized	63	64	66	67	68
Budget Authority:					
Outlays	54	61	65	67	68
FTE	0	0	0	0	0
Positions	0	0	0	0	0

Department of Commerce
BUREAU OF INDUSTRY AND SECURITY
Operations and Administration
Program Change Detail by Object Class, Management & Policy Coordination
(Dollar amounts in thousands)

Activity: Management and Policy Coordination (MPC)

Program Change: Securing the Information and Communications Technology and Services Supply Chain (ICTS)

Object Class	FY 2020 Actual	FY 2021 Enacted	FY 2022 Base	FY 2022 Estimate	Increase/Decrease from FY 2022 Base
11.1 Full-time permanent compensation	1,281	2,238	2,305	2,305	0
11.3 Other than full-time permanent	0	0	0	0	0
11.5 Other personnel compensation	33	58	58	58	0
11.8 Special personal services payments	0	0	0	0	0
11.9 Total personnel compensation	1,314	2,296	2,363	2,363	0
12.1 Civilian personnel benefits	364	636	727	727	0
13 Benefits for former personnel	0	0	0	0	0
21 Travel and transportation of persons	15	9	9	9	0
22 Transportation of things	0	0	0	0	0
23 Rent, communications, and utilities					
23.1 Rental payments to GSA	241	148	159	159	0
23.2 Rental payments to others	0	0	0	0	0
23.3 Communications, utilities, and misc. charges	114	70	72	72	0
24 Printing and reproduction	2	2	2	2	0
25 Other contractual services					
25.1 Advisory and assistance services	0	0	0	0	0
25.2 Other services from non-federal sources	619	381	381	381	0
25.3 Other goods and services from federal sources	1,181	729	637	700	63
25.4 Operation and maintenance of facilities	0	0	0	0	0
25.5 Research and development contracts	0	0	0	0	0
25.6 Medical care	0	0	0	0	0

25.7	Operation and maintenance of equipment	0	0	0	0	0
25.8	Subsistence and support of persons	0	0	0	0	0
26	Supplies and materials	104	64	65	65	0
31	Equipment	113	70	72	72	0
32	Lands and structures	0	0	0	0	0
33	Investments and loans	0	0	0	0	0
41	Grants, subsidies and contributions	0	0	0	0	0
42	Insurance claims and indemnities	0	0	0	0	0
43	Interest and dividends	0	0	0	0	0
44	Refunds	0	0	0	0	0
99.9	Total obligations	4,067	4,405	4,487	4,550	63

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

Activity: Export Administration

Line Item		FY 2020		FY 2021		FY 2022		FY 2022		Increase/Decrease	
		Actual		Enacted		Base		Estimate		from FY 2022 Base	
		Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount
Export	Pos./BA	167	56,925	209	59,775	209	63,506	212	64,092	3	586
Administration	FTE/Obl.	158	56,875	209	60,661	209	63,506	211	64,092	2	586
Total	Pos./BA	167	56,925	209	59,775	209	63,506	212	64,092	3	586
	FTE/Obl.	158	56,875	209	60,661	209	63,506	211	64,092	2	586

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

Activity: Export Administration

Line Item		FY 2020		FY 2021		FY 2022		FY 2022		Increase/Decrease	
		Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount
Export Administration	Pos./BA	4	2,336	5	3,691	5	3,691	5	3,691	0	0
	FTE/Obl.	2	1,943	5	3,691	5	3,691	5	3,691	0	0
Total	Pos./BA	4	2,336	5	3,691	5	3,691	5	3,691	0	0
	FTE/Obl.	2	1,943	5	3,691	5	3,691	5	3,691	0	0

Department of Commerce
BUREAU OF INDUSTRY AND SECURITY
Operations and Administration
Justification of Program and Performance Export Administration
(Dollar amounts in thousands)

Activity: Export Administration (EA)

Goal Statement:

Identify and mitigate national security risks associated with the export, reexport, or transfer of commodities, technology, and software through Export Administration Regulations (EAR) implementation, advance U.S. national security and foreign policy interests, and enhance the overall health and vitality of the U.S. defense industrial base.

Base Program:

Export Administration (EA) develops policies and implements regulations on the international transfer of dual-use and less sensitive military items and technologies to support U.S. national security and foreign policy goals. EA engages stakeholders among the U.S. government and industry on the appropriate level of controls for items with potential for use against the United States by its adversaries. EA participates in four multilateral export control regimes (the Wassenaar Arrangement, the Australia Group, the Missile Technology Control Regime, and the Nuclear Suppliers Group) involving transfers of conventional, nuclear, chemical, biological, and missile armaments (arms) and systems, assuring consistent international controls on items of concern. Applications to export, reexport or transfer items subject to BIS regulations are evaluated by highly trained EA engineers and analysts, who process the applications consistent with U.S. national security goals and objectives.

In FY 2020, under BIS authorization, U.S. companies exported \$6.3 billion of licensed items. Exports made under a BIS license exception authorization totaled \$14.8 billion. These exports helped sustain U.S. production facilities, workforce employment, and expertise.

Statement of Operating Objectives:

- Establish controls and policy governing the export, reexport, exports from abroad, and in-country transfers of dual-use and military items to protect national security and advance foreign policy objectives.
- Evaluate and adjudicate license applications, commodity classifications, and advisory opinions to achieve U.S. national security and foreign policy objectives.
- Identify emerging technologies that are essential to national security and develop policies to limit transfer when contrary to U.S. interests.
- Formulate, and coordinate within the interagency community to implement sanctions in support of U.S. foreign policy and national security objectives.
- Coordinate and cooperate with international partners and developing countries to design export control systems consistent with U.S. national security and foreign policy goals.

- Assess the impact on the US defense industrial base of actions taken on specific license applications as required by the Export Control Reform Act of 2018.
- Conduct BIS outreach to companies both domestically and internationally impacted by export controls to increase their knowledge of the EAR and enhance their compliance efforts.
- Engage the academic community to raise its level of awareness of the need to implement effective internal export control compliance programs and use its expertise to identify emerging technologies with national security implications.
- Update the EAR to reflect significant legal and policy changes and provide guidance to the exporting community.
- Provide guidance and assistance to exporters on compliance strategies, as well as export management and compliance programs, including site visits to companies and universities.
- Improve EA abilities to use export and license application data and all available public data to analyze complex trade trends and evaluate the effectiveness of BIS regulations.
- Maintain a wide array of highly qualified specialists to ensure decisions are based on current and emerging technical capabilities of industry and trends in the international marketplace.
- Carry out responsibilities related to the industrial compliance provisions of arms control and disarmament treaties (e.g., [Chemical Weapons Convention](#) and [Additional Protocol](#) and represent U.S. industry and security interests in multilateral arms control and disarmament deliberations (e.g., Biological and Toxin Weapons Convention).
- Maintain high levels of support to the interagency Committee on Foreign Investment in the United States (CFIUS) to ensure – through rigorous CFIUS reviews – inward foreign direct investment does not threaten U.S. national security.
- Conduct investigations pursuant to Section 232 of the Trade Expansion Act of 1962 to complete the highest quality evaluations of the effect of imports on U.S. national security and manage the process to grant exclusions from trade actions provided pursuant to Section 232 if articles are determined not to be produced in the U.S. in a sufficient and reasonably available amount or a satisfactory quality, or based upon specific national security considerations.
- Coordinate with the Department of Defense, Intelligence Community, NASA, Homeland Security and other agencies to measure the health and competitiveness of the U.S. defense and technology industrial base.
- Continue to partner with law enforcement agencies to identify export control violations and support criminal and administrative charges.
- Administer the Defense Priorities and Allocations System (DPAS) used by the Departments of Defense, Energy, and Homeland Security, the General Services Administration, as well as owners and operators of critical infrastructure, to prioritize the performance of contracts to support national defense programs.
- Assess the impact on the U.S. defense industrial base of offsets in defense procurements and prepare an annual report to Congress on offsets in the defense trade.
- Co-chair with the Department of State, the Market Impact Committee, which reviews the Department of Defense’s proposed plans to add or dispose of material from the National Defense Stockpile.

Explanation and Justification

Line Item		FY 2020 Actual		FY 2021 Enacted		FY 2022 Base	
		Personnel	Amount	Personnel	Amount	Personnel	Amount
Export	Pos./BA	167	56,925	209	59,775	209	63,506
Administration	FTE/Obl.	158	56,875	209	60,661	209	63,506

EA will continue in FY 2022 to support the BIS mission and implement the objectives outlined above, as well as other policy objectives and priorities. Estimates of workload are challenging because exports, foreign investment, CFIUS reviews, requests for DPAS actions, Section 232 investigations, and defense industrial base assessment volumes depend on many factors outside of BIS control. Based on these and other factors, including Administration priorities and international political and foreign policy developments, EA anticipates its workload will continue to grow.

The FY 2022 budget provides \$5.7 million in support of 232 processing by BIS, which includes \$4.55 million for contractor support and four (4) export administration positions that support Section 232 activities, as outlined in our 4th Quarter FY2020 232 Section Report to Congress. The budget also includes, \$2.2 million and eight (8) positions related to CFIUS.

Additional information about these programs may be found at:

- [Mission Statement: https://www.bis.doc.gov/index.php/about-bis/mission-statement.](https://www.bis.doc.gov/index.php/about-bis/mission-statement)
- Organization and Program Offices: [https://www.bis.doc.gov/index.php/about-bis/organization/program-offices.](https://www.bis.doc.gov/index.php/about-bis/organization/program-offices)

EA has multiple programs, the largest of which is the evaluation and adjudication of export license applications. The export license application program provides the U.S. government with a level of assurance that exports, reexports, and transfers of items subject to BIS jurisdiction will not be diverted to weapons of mass destruction programs, military programs contrary to U.S. interests, terrorists, regions of instability, or to persons violating human rights. EA analysts and engineers maintain superior expertise in current technologies and market trends, to maintain the knowledge required to process applications efficiently while achieving national security and foreign policy goals.

EA personnel possess the technical qualifications to assess a wide range of leading edge products available in the global marketplace for export control purposes. EA uses data and research to study trends and inform export policy decisions; gauge the effect of the dual-use export control system on U.S. interests; support compliance efforts by identifying noncompliance with the EAR; provide statistical reports to the federal government and external stakeholders to support industry and government relations; and analyze foreign availability of critical products and technologies.

Under Section 232 of the Trade Expansion Act of 1962, as amended, EA conducts comprehensive investigations to determine the effect on the national security of the U.S. of imports of any article. In addition, with BIS-unique and mandatory data collection authority, EA researches, surveys, and assesses the economic health and competitiveness of defense sector capabilities and readiness, and critical technologies. These

assessments provide unique insight into foreign sourcing and dependencies, workforce issues, financial health, competitive challenges and other factors impacting the ability of U.S. industry to meet national security requirements.

EA coordinates BIS participation in CFIUS by evaluating the export control and defense industrial base equities in transactions and assessing the national security implications of these transactions. Chaired by Treasury, CFIUS is the interagency committee that conducts national security reviews of mergers, acquisitions, or takeovers with potential to result in foreign control of a U.S. business, as well as certain non-controlling investments in U.S. companies involved with critical technologies, critical infrastructure, or sensitive personal data, in addition to certain real estate transactions near sensitive government facilities. Should a particular transaction raise national security concerns, CFIUS has the authority to mitigate those national security concerns, or it may recommend the President prohibit or suspend the transaction. The President signed the Foreign Investment Risk Review Modernization Act of 2018 (FIRRMA) into law in August 2018. FIRRMA achieves the goals of protecting our national security and preserving our long-standing open investment policy. The Act was fully implemented in February 2020, significantly expanding the scope of transactions subject to CFIUS jurisdiction. BIS's engagement in CFIUS is critical to implementing FIRRMA and to ensuring Administration and Congressional objectives of strengthening national security reviews of foreign investment in the United States are achieved.

Significant Accomplishments

Combating China's Military-Civilian Fusion (MCF) Strategy

Through the use of state security laws that compel companies to act at the direction of the Chinese Communist Party (CCP) and the consolidation of Chinese industry under State authority, China seeks to acquire foreign technology for military modernization. Other countries, including Russia and Venezuela, also seek to acquire U.S. technology to further military capabilities. This year, BIS published a number of rules aimed at impeding acquisition by China, Russia and Venezuela of sensitive U.S. technologies that could be used in the development of weapons, military aircraft, or surveillance technology through civilian supply chains, or under civilian-use pretenses, for military end uses and military end users.

Section 232 Investigations and Production Exclusion Process

As of April 4, 2021, BIS issued determinations on approximately 242,000 requests submitted by U.S. parties for exclusion from Section 232 tariffs and quotas on steel and aluminum products. During FY 2019, the Department developed a customized online portal that has replaced the use of the Federal rulemaking portal for petitioner submittals to further ensure every Section 232 exclusion request was analyzed accurately and efficiently. Launched on June 13, 2019, the new 232 Exclusions Portal streamlined the exclusion process for external parties and provides greater transparency by the public to view more easily all exclusion request, objection, rebuttal, and surrebuttal documents in one web-based system. With the launch of the 232 Exclusions Portal, the time from submission to posting of an exclusion request is averaging two days, a 95 percent decrease from the processing time under regulations.gov. An exclusion request with no objections on the 232 Exclusions Portal receives a decision on average within 54 calendar days, a 56 percent decrease compared to regulations.gov. In FY2021, in response to public comments submitted to a notice of inquiry published in the *Federal Register*, BIS implemented the first set of general approved exclusions

(GAEs), which excluded from the steel and aluminum tariffs, without a requirement for specific exclusion, the products identified under 123 harmonized tariff schedule of the United States statistical reporting numbers. BIS estimated that implementation of this first set of GAEs would result in a decrease to the number of exclusion requests submitted by 5,000 annually.

In FY 2020, the Bureau continued to experience an increase in requests for enhanced BIS industrial base surveys and analysis from multiple U.S. government agencies, including the Departments of Defense, NASA, and the Intelligence Community, to help support informed national defense and technology policy decisions. Additionally, BIS received two additional industry petitions for Section 232 investigations and self-initiated a third investigation, while leading interagency efforts in response to an earlier investigation:

1. On May 11, 2020, the Secretary self-initiated an investigation under Section 232 of the Trade Expansion Act (Section 232) into the national security implications of grain-oriented electrical steel (GOES), a key element of transformer cores. This investigation stems from inquiries made by interested parties, including steel and transformer manufacturers, as well as members of Congress. Investigation findings and action recommendations were sent to the President on October 14, 2020.
2. On May 19, 2020, the Secretary initiated a Section 232 investigation into whether the imports of mobile cranes threaten to impair U.S. national security. The investigation was initiated in response to a petition filed by U.S. mobile crane manufacturer The Manitowoc Company Inc. (Manitowoc) on December 19, 2019. In September, 2020, Manitowoc requested withdrawal of its petition and on November 23, 2020, the Secretary terminated the investigation.
3. On May 28, 2020, the Secretary initiated a Section 232 investigation into whether imports of vanadium threaten to impair U.S. national security. The investigation was initiated in response to a petition filed by U.S. vanadium producers AMG Vanadium LLC and U.S. Vanadium LLC on November 19, 2019. The investigation will determine whether imports of vanadium are occurring in such quantities or under such circumstances as to threaten to impair the nation's security. The findings of the investigation and a recommendation for action or inaction were sent to the President on February 22, 2021.
4. In response to the recommendations made in the report prepared by BIS on the impact of imports of titanium sponge on U.S. national security, the President set forth measures to address the threatened impairment of the national security, including the establishment of a working group to propose measures to ensure access to titanium sponge. As part of its working group duties, in FY 2020 and FY2021, BIS hosted approximately 20 interagency meetings, some of which featured industry briefings and published a notice in the *Federal Register* requesting public comment. BIS also took the lead in beginning to draft the working group's report.

Firearms Control Change from United States Munitions List (USML) to Commerce Control List (CCL)

On May 24, 2018, the Department of Commerce published the proposed rule, *Control of Firearms, Guns, Ammunition and Related Articles the President Determines No Longer Warrant Control Under the United States Munitions List (USML)* (83 FR 24166). The Department of State published its proposed rule, *International Traffic in Arms Regulations: U.S. Munitions List Categories I, II, and III* (83 FR 24198), on the same day. The comment periods for both rules closed on July 9, 2018.

The Department of Commerce proposed rule described how articles the President determined no longer warrant control under USML Categories I-III (Category I – Firearms, Close Assault Weapons, and Combat Shotguns; Category II – Guns and Armament; and Category III – Ammunitions and Ordnance) would be controlled on the Commerce Control List (CCL). The Department of State proposed rule would revise Categories I, II, and III of the USML to more precisely describe the articles warranting continued control on that list.

The Departments of Commerce and State reviewed the public comments each received during the comment period and drafted final rules for interagency consideration. On November 7, 2019, OMB completed its review of the Departments of Commerce and State final rules. The Department of State completed the 30-day, statutorily required, Arms Export Control Act (AECA) section 38(f) congressional notification process on December 12, 2019. The final rules were published January 23, 2020 and became effective on March 9, 2020. As of March 31, 2021, the Department has processed more than 8,000 license applications for the export of guns and ammunition to 120 countries in an average processing time of 27 days.

Controlling Emerging and Foundational Technologies

Controls were imposed on 37 emerging technologies pursuant to ECRA and in support of the President's National Strategy for Critical and Emerging Technologies, a critical roadmap to protecting our national security and ensuring the United States maintains its technological leadership in military, intelligence, and economic matters. BIS published an Advance Notice of Proposed Rulemaking (ANPRM) on foundational technologies essential to national security, requesting public comment on approaches to identifying and assessing foundational technologies.

Additions to the Entity List

FY 2020 was another active year for BIS's utilization of the Entity List. The Entity List identifies foreign parties that are prohibited from receiving some or all items subject to the EAR unless the exporter, reexporter, or transferor first receives a license from BIS. The U.S. Government has determined that persons and entities on the Entity List present a significant risk of diverting U.S. items to weapons of mass destruction (WMD) programs, state sponsors of terrorism, or other activities contrary to U.S. national security or foreign policy interests. The Entity List is an important policy tool to protect U.S. national security and foreign policy interests. In FY 2020, BIS added 279 entities to the Entity List.

Fighting Human Rights Abuses in China

With the unfortunate escalation in the use of advanced technologies for human rights abuses, BIS also expanded its ability to review most license applications for human rights concerns. BIS played a key role in the U.S. Government's response to the horrific human rights abuses perpetrated by the CCP in the repression of the Muslim minority population in the Xinjiang Uyghur Autonomous Region and throughout China. BIS testified before the U.S. Commission on International Religious Freedom, added 52 China-based entities to the Entity List and contributed to an interagency Xinjiang Supply Chain Business Advisory.

Regulatory Actions

In FY 2021, BIS has undertaken several important regulatory actions in response to Administration priorities. Below are a few examples of those actions: *Implementation of Certain New Controls on Emerging Technologies Agreed at Wassenaar Arrangement 2019 Plenary*.

On October 5, 2020, BIS published a final rule implementing multilateral controls on six recently developed or developing technologies, which were identified by the Wassenaar Arrangement (WA) December 2019 WA Plenary Meeting in a manner contemplated by the Export Control Reform Act of 2018 (ECRA) to identify emerging technologies that are essential to U.S. national security. The six emerging technologies are:

1. Hybrid additive manufacturing (AM)/computer numerically controlled (CNC) tools (2B001),
2. Computational lithography software designed for the fabrication of extreme ultraviolet (EUV) masks (3D003),
3. Technology for finishing wafers for 5nm production (new ECCN 3E004),
4. Digital forensics tools that circumvent authentication or authorization controls on a computer (or communications device) and extract raw data (5A004.b),
5. Software for monitoring and analysis of communications and metadata acquired from a telecommunications service provider via a handover interface (5D001.e), and
6. Sub-orbital craft (9A004.h, 9A515.a)

This rule harmonizes the CCL with the WA December 2019 Plenary Meeting agreements that pertain to these six technologies. As these six technologies are recently developed or developing technologies that are essential to the national security of the United States, early implementation of the applicable WA December 2019 Plenary agreements is warranted. The remaining WA 2019 Plenary agreements will be implemented in a separate rule.

Amendment to Licensing Policy for Items Controlled for Crime Control Reasons

On October 6, 2020, BIS published amended the Export Administration Regulations (EAR) by revising, in part, the licensing policy for items controlled for crime control (CC) reasons, which is designed to promote respect for human rights throughout the world. BIS also amended the EAR to provide that, except for items controlled for short supply reasons, it will consider human rights concerns when reviewing license applications for items controlled for reasons other than CC. This revision is necessary to clarify to the exporting community that licensing decisions are based in part upon U.S. Government assessments of whether items may be used to engage in, or enable violations or abuses of, human rights including those involving censorship, surveillance, detention, or excessive use of force.

Addition of ‘Military End User’ (MEU) List to the Export Administration Regulations and Addition of Entities to the MEU List

On December 23, 2020, BIS published a final rule amending the EAR by adding a new ‘Military End User’ (MEU) List that includes the first tranche of entities. The U.S. Government has determined that these entities are ‘military end users’ for purposes of the ‘military end user’ control in the EAR that applies to specified items for exports, reexports, or transfers (in-country) to the People’s Republic of China (China), Russia, and Venezuela when such items are destined for a ‘military end user.’ The existing ‘military end-use’ and ‘military end user’ controls under the EAR, including BIS’s authority to inform the public of a license requirement for an item due to an unacceptable risk of diversion to a ‘military end user’ via amendment to the EAR, are essential for protecting U.S. national security interests. The addition of the new MEU List via amendment to the EAR and this first tranche of entities is also responsive to requests received from the public. This final rule will add one

hundred and three ‘military end users’ to the MEU List consisting of fifty-eight under China and forty-five under Russia. However, the establishment of the MEU List does not imply that other parties, not included on the list, are not subject to the ‘military end-use’ and ‘military end user’ controls under the EAR.

Burma: Implementation of Sanctions

On March 8, 2021, in response to the Burmese military coup that overthrew the democratically-elected government of Myanmar (Burma), BIS published a final rule amending the EAR to apply more restrictive treatment to exports and reexports to, and transfers within, Burma of items subject to the EAR. This action advances the U.S. Government’s efforts to reduce the availability of items to Burma’s military and security services. Specifically, this rule: 1) moves Burma from Country Group B to the more restrictive Country Group D: 1; 2) adds Burma to the countries subject to the national security licensing policy for certain military end uses and end users, and to the ‘military end use’ and ‘military end user’ restrictions; and 3) moves Burma from Computer Tier 1 to the more restrictive Computer Tier 3 in the (Computers) (APP) license exception.

Addition of Entities to the Entity List

On March 8, 2021, BIS published a final rule amending the EAR to further implement U.S. sanctions on selected Burmese government ministries and related enterprises. Specifically, BIS amends the EAR by adding four entities to the Entity List under the destination of Burma. These four entities have been determined by the U.S. Government to be acting contrary to the national security or foreign policy interests of the United States. The actions in this rule support the United States Government’s efforts to promote a return to democracy in Burma following the February 1, 2021 Burmese military coup. They also reflect the United States Government’s goal of supporting the people of Burma by preventing Burma’s military and security services from obtaining items subject to the EAR.

Educational and Outreach Activities

EA continued to expend resources to inform the regulated community about the Regulations, including changes to and compliance with them. To provide this guidance to U.S. exporters, BIS utilizes various types of outreach, including an annual policy conference, which was postponed in 2020 due to the COVID-19 pandemic. Instead, BIS offered the first ever one-day virtual BIS 2020 Conference on Export Control Policy. BIS also offered virtual seminars on “Complying with Export Controls” and specialty topics, including encryption, and participated in numerous virtual industry events focused on specific issues, such as revised controls on exports to Cuba, Russia sanctions, deemed exports (i.e., the release of controlled technology to foreign nationals in the United States), export requirements for items controlled for nuclear nonproliferation reasons, and export requirements for less sensitive military items. During FY 2020, BIS created six additional videos introducing key regulatory and process concepts to the business community. The intent behind the video initiative is to enable small and new-to-export firms’ access to clear and concise guidance, delivered in a viewer-friendly format, via the agency’s website and YouTube channel. These videos facilitated the agency’s ability to train the business community during a period of time when we could not conduct in-person training programs. The new videos cover various aspects of the Section 232 investigation process, from creating accounts, to filing objections, rebuttals and surrebuttals. In FY 2020, BIS’s videos were viewed over 40,000 times.

Export License Processing

In FY 2020, EA processed 37,895 export license applications. This marked a 10.8% increase from the 34,207 applications processed in 2019. BIS approved 32,687 license applications (86.3%), returned 4,754 applications without action (12.5%), and denied 454 applications (1.2%). BIS's average license application processing time this year was 23 days. This included time for interagency reviews by the Departments of Defense, Energy, and State.

BIS obtains monthly data from the Bureau of the Census (Census) on exports subject to BIS licensing requirements to evaluate the impact of controls on U.S. exports. For FY 2020, U.S. companies exported \$6.35 billion of licensed items. BIS-licensed exports represented 0.4% of total U.S. exports. Exports made under a BIS license exception totaled \$14.5 billion, representing approximately 1.0% of overall U.S. exports. BIS continues to work with Census and CBP to improve the Automated Commercial Environment (ACE) and to increase exporter compliance with the EAR. This year, export reports through the ACE portal were made available to U.S. exporters to review their own export transactions filed in ACE.

**Department of Commerce
BUREAU OF INDUSTRY AND SECURITY
Operations and Administration
Program Change for FY 2022, Export Administration
(Dollar amounts in thousands)**

		FY 2022 Base		FY 2022 Estimate		Increase/Decrease from FY 2022 Base	
		Personnel	Amount	Personnel	Amount	Personnel	Amount
Export	Pos./BA	209	63,506	212	64,092	3	586
Administration	FTE/Obl.	209	63,506	211	64,092	2	586

Securing the Information and Communication Technology and Services Supply Chain (\$586, 2 FTEs /3 Positions) - This proposed program increase of \$586,510 to the Export Administration program is necessary in order to provide required resources, support for criminal investigators, analysts, and an attorney, to provide a credible enforcement and penalty capability to accompany implementation of the information and communications technology and services (ICTS) rule. The additional personnel will work with partners within Commerce including NTIA and other agencies to include the FBI to counter foreign adversaries in efforts to exploit U.S. ICTS. The ICTS supply chain is critical to nearly every aspect of U.S. national security. U.S. business and governments at all levels rely heavily on ICTS, which: underpin our economy; support critical infrastructure and emergency services; and facilitate the nation’s ability to store, process, and transmit vast amounts of data, including sensitive information, that is used for personal, commercial, government, and national security purposes. The ICTS supply chain must be secure to protect our national security, including the economic strength that is an essential element of our national security. Ensuring the resilience of, and trust in, our ICTS supply chain is an issue that touches upon national security, including economic security, and public health and safety.

Performance Measures:	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
With program change:	Will allow investigations into allegations of violations of the ICTS rule	Will allow investigations into allegations of violations of the ICTS rule	Will allow investigations into allegations of violations of the ICTS rule	Will allow investigations into allegations of violations of the ICTS rule	Will allow investigations into allegations of violations of the ICTS rule
Without program change:	Vulnerabilities to data integrity can be created by a foreign adversary's hardware and software into U.S. networks and systems.	Vulnerabilities to data integrity can be created by a foreign adversary's hardware and software into U.S. networks and systems.	Vulnerabilities to data integrity can be created by a foreign adversary's hardware and software into U.S. networks and systems.	Vulnerabilities to data integrity can be created by a foreign adversary's hardware and software into U.S. networks and systems.	Vulnerabilities to data integrity can be created by a foreign adversary's hardware and software into U.S. networks and systems.
Outyear Cost:					
Direct Obligations:					
Uncapitalized	586	598	610	622	634
Budget Authority:					
Outlays	498	567	607	619	632
FTE	2	3	3	3	3
Positions	3	3	3	3	3

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

Activity: Export Administration

Program Change: Securing the Information and Communications Technology and Services Supply Chain (ICTS)

Title	Grade	Number	Annual Salary	Total Salaries
Attorney	GS-15	0.5	161,730	80,865
Office of Administration/CIO Resource	GS-14	0.5	137,491	68,746
EA Licensing Officer/Analyst	GS-14	1	137,491	137,491
EA Licensing Officer/Analyst	GS-13	1	116,353	116,353
Total		3		403,455
Mission Support				12,104
3%				
Plus: Special Agents Availability Pay				0
25%				
Less lapse				(103,890)
25%		(1)		
Total full-time permanent (FTE)		2		311,669
2022 Pay Raise				8,415
2.7%				
Total				320,084
Personnel Data				
Full-time Equivalent Employment				
Full-time permanent		2		
Other than full-time permanent		0		
Total		2		
Authorized Positions:				
Full-time permanent		3		
Other than full-time permanent		0		
Total		3		

Department of Commerce
BUREAU OF INDUSTRY AND SECURITY
Operations and Administration
Program Change Detail by Object Class, Export Administration
(Dollar amounts in thousands)

Activity: Export Administration

Program Change: Securing the Information and Communications Technology and Services Supply Chain (ICTS)

Object Class	FY 2020 Actual	FY 2021 Enacted	2022 Base	2022 Estimate	Increase/Decrease from FY 2022 Base
11.1 Full-time permanent compensation	20,902	27,250	28,139	28,459	320
11.3 Other than full-time permanent	309	403	403	403	0
11.5 Other personnel compensation	480	626	626	626	0
11.8 Special personal services payments	0	0	0	0	0
11.9 Total personnel compensation	21,691	28,279	29,168	29,488	320
12.1 Civilian personnel benefits	7,082	9,233	10,464	10,566	102
13 Benefits for former personnel	16	13	13	13	0
21 Travel and transportation of persons	191	157	161	177	16
22 Transportation of things	3	2	4	5	1
23 Rent, communications, and utilities					
23.1 Rental payments to GSA	3,229	2,660	2,808	2,808	0
23.2 Rental payments to others	0	0	0	0	0
23.3 Communications, utilities, and misc. charges	1,864	1,535	1,562	1,609	47
24 Printing and reproduction	8	7	7	8	1
25 Other contractual services					
25.1 Advisory and assistance services	3,542	2,918	2,960	2,960	0
25.2 Other services from non-federal sources	5,395	4,444	4,463	4,488	25
25.3 Other goods and services from federal sources	11,279	9,291	9,733	9,790	57
25.4 Operation and maintenance of facilities	0	0	0	0	0
25.5 Research and development contracts	0	0	0	0	0

25.6	Medical care	0	0	0	0	0
25.7	Operation and maintenance of equipment	0	0	0	0	0
25.8	Subsistence and support of persons	0	0	0	0	0
26	Supplies and materials	1,046	862	880	882	2
31	Equipment	1,522	1,254	1,277	1,292	15
32	Lands and structures	0	0	0	0	0
33	Investments and loans	0	0	0	0	0
41	Grants, subsidies and contributions	0	0	0	0	0
42	Insurance claims and indemnities	0	0	0	0	0
43	Interest and dividends	7	6	6	6	0
44	Refunds	0	0	0	0	0
99.9	Total obligations	56,875	60,661	63,506	64,092	586

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

Activity: Export Enforcement

Line Item		FY 2020		FY 2021		FY 2022		FY 2022		Increase/Decrease	
		Actual		Enacted		Base		Estimate		from FY 2022 Base	
		Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount
Export	Pos./BA	192	66,684	223	69,017	223	73,151	227	73,768	4	617
Enforcement	FTE/Obl	185	74,279	223	75,546	223	73,151	226	73,768	3	617
Total	Pos./BA	192	66,684	223	69,017	223	73,151	227	73,768	4	617
	FTE/Obl	185	74,279	223	75,546	223	73,151	226	73,768	3	617

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

Activity: Export Enforcement

Line Item		FY 2020		FY 2021		FY 2022		FY 2022		Increase/Decrease	
		Actual		Enacted		Base		Estimate		from FY 2022 Base	
		Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount
Export	Pos./BA	0	131	0	106	0	106	0	106	0	0
Enforcement	FTE/Obl.	0	109	0	106	0	106	0	106	0	0
Total	Pos./BA	0	131	0	106	0	106	0	106	0	0
	FTE/Obl.	0	109	0	106	0	106	0	106	0	0

Department of Commerce
BUREAU OF INDUSTRY AND SECURITY
Operations and Administration
Justification of Program and Performance, Export Enforcement
(Dollar amounts in thousands)

Activity: Export Enforcement (EE)

Goal Statement

Apply law enforcement, national security, and export control expertise to stop exports of sensitive items to embargoed destinations, to illicit end-users, and to prohibited end-uses, and ensure parties involved in U.S. commercial transactions do not engage in prohibited boycott activities.

Base Program

Export Enforcement (EE) enforces export controls identified in the Export Control Reform Act of 2018 (ECRA).

The program enforces national security laws and supports foreign policy through deliberate activities intended to prevent illegal exports of U.S. items and violations of anti-boycott requirements:

- Enforcement investigates unauthorized military end use, illicit proliferation of weapons of mass destruction, terrorist activities, misuse of technology to enable human rights abuses, and other non-compliance actions under the Export Administration Regulations (EAR) to ensure a safe nation and fair marketplace for U.S. industry;
- EE advises U.S. exporters, manufacturers, banks, and the public on the substance and application of the EAR;
- Program efforts monitor and analyze trends in boycott activity, pursuing criminal and administrative sanctions for violations;
- Special Agents with law enforcement authority conduct investigations related to violations of U.S. export control laws;
- EE Special Agents investigate any criminal activity threatening national security related to exports;
- Prevention and control programs also help to reduce terrorism, human rights abuses, and other U.S. export control violations;
- Through its compliance efforts, EE identifies reliable transaction parties, which facilitates secure U.S. trade; and
- EE reviews export license applications, helps U.S. exporters screen suspicious inquiries, recommends persons for the Entity List, Denied Person List, Military End-User List, and Unverified List, and secures U.S. trade.

Statement of Operating Objectives

- Continue to identify and investigate vigorously non-compliance with applicable export control statutes.
- Prosecute violators through administrative or criminal procedures, as appropriate.
- Continue to level the playing field for U.S. exporters by actively pursuing export control violators, especially those attempting to undercut exporters who play by the rules.

- Partner, if practicable, with federal law enforcement agencies, the Department of Defense (DOD), and the Intelligence Community to enhance EE’s ability to enforce export controls by expanding the network of resources and capabilities.
- Collaborate with partner agencies to inhibit an ever-increasing level of sophistication exerted by criminal networks and unfriendly nation-states seeking to obtain controlled U.S. items illegally.
- Provide to BIS and interagency partners classified and unclassified (all-source) information, when making licensing decisions regarding foreign end users and end uses of U.S. controlled items, to determine potential diversion risks.
- Work with international partners, especially through the Export Control Officer (ECO) program and end-use monitoring, to prevent diversions to unauthorized end users and end uses.
- Expand criminal intelligence capabilities to identify and eliminate domestic and international criminal proliferation networks.
- Continuously update “foreign parties of concern” designations on the Entity List, Denied Person List, Military End-User List, and Unverified List to help industry identify troublesome transactions before the trouble starts.
- Obtain and employ the additional resources necessary to address an ever- increasing workload of enforcement actions against those who violate U.S. export controls and the anti-boycott provisions of the EAR.

Explanation and Justification

Line Item		2020		FY2021		2022	
		Personnel	Amount	Personnel	Amount	Personnel	Amount
Export	Pos./BA	192	66,684	223	69,017	223	73,151
Enforcement	FTE/Obl.	185	74,279	223	75,546	223	73,151

Export Enforcement exercises its unique authorities to conduct complex investigations. A significant percentage of EE actions involve uncontrolled items destined for unauthorized military modernization programs, weapons of mass destruction programs, sanctioned actors, and terrorists.

The tactics of our adversaries to acquire illicitly U.S.-origin items have become more sophisticated. Every year, the volume of EAR transactions requiring compliance assessments increases as international trade becomes more interdependent and diverse.

This requires EE to scrutinize miniscule details of direct exports from the United States, in-country transfers abroad, and re-exports of licensed and unlicensed items. Program success depends upon EE confirming whether these items are diverted to end uses or end users of national security and foreign policy concern.

In addition to EE working to thwart illicit tangible exports, efforts to counter illicit intangible technology procurement require extra scrutiny because they may occur invisibly, both domestically and internationally. Detecting unauthorized activities from these kinds of transfers includes identifying foreign entities in the United States and technology transfers accomplished through foreign investment.

Export Enforcement depends on access to all-source information, close collaboration with partner agencies, and, especially, the help of U.S. industry to prevent non-compliant activities. Transfers of items from the U.S. Munitions List (USML) and changes to controls addressing national security threats have helped EE gain access to new sources and types of information. The program is also working to use more efficiently all data available to the U.S. government.

In FY 2022, EE will expand its collaborations with U.S. government, international, and private sector (including academic) partners. The program also expects to enhance its data analytics to identify and prioritize non-compliant activities, alert U.S. companies of suspicious transactions, and execute complex criminal and administrative investigations to enforce the EAR.

Additionally, BIS has built international partnerships with like-minded countries, including Canada, Germany, India, and Japan, as well as trans-shipment hubs, such as Finland, Malaysia, Singapore, and the United Arab Emirates. Through its ECO program, EE engages these partnerships to prevent the diversion of U.S. origin items.

The **Office of Export Enforcement (OEE)**, a component of the Export Enforcement program, promotes economic and national security by aggressively investigating violations of export control laws including ECRA and its implementing regulations.

Part of the core capability of the investigative process is housed within the **Office of Enforcement Analysis (OEA)**. The office uses all sources of information, including publicly available, intelligence, and other government-privileged information, to provide information to BIS and the interagency export control community to inform the timely adjudication of export control license applications, identify potential violators of export control laws that imperil U.S. national security, and support law enforcement actions that could result in both criminal and civil penalties. This information is also used to promote U.S. exports by preventing the diversion and misuse of export controlled items abroad through end-use checks, outreach, and cooperation with foreign governments.

In addition to conducting end-use verifications, which includes pre-license checks and post-shipment verifications, the ECOs stationed in seven countries help build foreign governments' capacities to implement export controls and develop complementary enforcement actions in such locations as well as educate foreign industry on EAR compliance. The ECOs often receive periodic augmentation from OEE Special Agents on temporary duty for this assistance.

The third pillar of the BIS Enforcement arm is the **Office of Antiboycott Compliance (OAC)**. This office administers and enforces antiboycott laws under ECRA. Those laws discourage, and in some circumstances, prohibit U.S. companies from taking certain actions with the intent to comply with, or support any unsanctioned foreign boycott, including the Arab League boycott of Israel, maintained by a country against a country friendly to the United States, including responding to certain requests for information designed to verify compliance with the boycott. Compliance with such requests may be prohibited by the EAR and may be reportable to the Bureau.

Significant Accomplishments

Firearms to Haiti

On March 2, 2021, Jacques Yves Sebastien Duroseau was sentenced in U.S. District Court for the Eastern District of North Carolina to 63 months in prison, three years of supervised release, a forfeiture of firearms and equipment, and a \$500 special assessment. On December 10, 2020, Duroseau, a former U.S. Marine, was found guilty following a three-day trial. Duroseau was found guilty of illegally exporting firearms, firearms accessories, and ammunition to Haiti. At the time of export, Duroseau and a co-conspirator impersonated high-ranking U.S. military officers and fraudulently claimed to be on official military orders to facilitate the illegal transportation of the items via commercial aircraft to Haiti. Duroseau's intent was to train the Haitian Army with the firearms and equipment in order to engage in foreign armed conflict. This is a joint investigation with Homeland Security Investigations (HSI), Bureau of Alcohol, Tobacco and Firearms (ATF), Naval Criminal Investigative Service, U.S. Marine Corps, Department of State's Diplomatic Security Service, and the Office of Export Enforcement (OEE).

Electronic Components to China and Iran via Singapore

On January 29, 2021, Avnet Asia Pte. Ltd., a Singapore-based company, entered into agreements with the Bureau of Industry and Security and the Department of Justice to pay a civil fine and enter into a Non-Prosecution Agreement to settle allegations that Avnet Asia employees illegally exported various electronic components, controlled under the Export Administration Regulations, to China and Iran via Singapore. Avnet Asia will pay a \$3.2 million civil fine and a \$1.508 million criminal fine as part of the settlement and Non-Prosecution agreements. As part of a Non-Prosecution Agreement, Avnet Asia admitted responsibility for an unlawful conspiracy to ship export controlled U.S. goods with potential military applications to China, and also for the criminal conduct of former employees who, from 2007-2009, illegally caused U.S. goods to be shipped to China and Iran without a license. The BIS settlement resolved allegations that on 53 occasions between October 2007 and January 2014, Avnet Asia ordered, sold, forwarded, and/or transferred over \$1.2 million worth of items subject to the EAR or the Iranian Transactions and Sanctions Regulations with knowledge or reason to know that a violation of the EAR was intended or about to occur in connection with the items. BIS also alleged that Avnet Asia ordered, sold, forwarded and/or transferred electronic components subject to the EAR to Wing Shing Computer Components Company (H.K.) Ltd., a party on the BIS Entity List, without the required BIS licenses. This is a joint investigation with OEE, the Federal Bureau of Investigation (FBI), and HSI.

Firearms and Ammunition to Haiti

On January 8, 2021, Jacques Mathieu was sentenced in U.S. District Court for the Northern District of Georgia to 57 months confinement, three years of supervised release, and a \$100 special assessment. On September 29, 2020, Mathieu pled guilty in connection with a conspiracy to make straw purchase and illegal export of approximately 32 firearms and 225,000 rounds of ammunition concealed in vehicles exported from Atlanta, Georgia. The items were ultimately destined for Haiti. This is a joint investigation with OEE and ATF.

Solar Gas Turbine Assemblies to Iran

On December 17, 2020, Colin Fisher, a citizen of the United Kingdom, was sentenced in U.S. District Court for the Northern District of Florida to 30 months in prison, a \$5,000 criminal fine, and deportation upon release from prison. On August 31, 2020, Fisher pled guilty to violations of the International Emergency Economic Powers Act (IEEPA) and attempted smuggling. The charges are in relation to the export of power generating equipment to Iran. Fisher was arrested when he arrived in Pensacola from the United Arab Emirates (UAE) to finalize the illegal transaction and get equipment for a buyer in Iran. From October 2017 to August 2020, Fisher attempted to export a Solar Mars 90 S turbine core engine and parts from the United States to an end user in Iran. This included participating in fraudulent invoicing and using coded language with conspirators to communicate about the illegal transactions. The turbine, valued at half a million dollars, was seized. The turbine could be used to provide energy to the oil fields of Iran. On January 24, 2020, James Meharg was sentenced to 40 months in prison, three years of supervised release, a \$250,000 forfeiture, and a \$300 special assessment. Meharg, owner of Turbine Resources in Pensacola, Florida, pled guilty in September 2019 in connection the turbine sale. This is a joint investigation with OEE, the FBI, and the Bureau of Customs and Border Protection (CBP).

Export of technical data to Turkey

On December 10, 2020, Murat Gonenir was sentenced in U.S. District Court for the Northern District of Georgia to 41 months in prison, three years of supervised release, \$1,487,000 in restitution, a \$100 special assessment, and deportation upon release from prison. On July 14, 2020, Gonenir, a Turkish national, pled guilty to charges related to the export of controlled technical data to Turkey. Gonenir and several Turkish co-conspirators set up shell companies in the United States for the purposes of defrauding the Department of Defense with product substitution schemes and for the purpose of illegally exporting technical data and drawings that disclose critical military technology to Turkey. Gonenir was arrested in June 2019 upon his arrival at the Milano Malpensa Airport in Italy and was extradited to the United States in January 2020. This is a joint investigation with OEE and Defense Criminal Investigative Service.

Firearms, Ammunition and Accessories to the U.S. Virgin Islands

On November 25, 2020, Shawn Tyson and Natasha France were was sentenced in U.S. District Court in the District of the Virgin Islands. Tyson was sentenced to 120 months in prison and France was sentenced to 40 months in prison. On December 17, 2019, France pled guilty and on December 19, 2019, Tyson was convicted at trial in connection with the straw purchase and illegal export of firearms, ammunition, and accessories islands in the Caribbean via the U.S. Virgin Islands. Five additional co-conspirators are pending trial in the Northern District of Georgia on related charges in the same investigation. This is a joint investigation with OEE, ATF, and CBP.

Aircraft Components to Iran

On October 6, 2020, Joyce Eliabachus was sentenced in U.S. District Court for the District of New Jersey to 18 months in prison, one year of supervised release, and a \$100 special assessment. On June 11, 2019, Eliabachus pled guilty to conspiracy to violate the IEEPA. The plea was in connection with her role in an international procurement network that smuggled over \$2 million worth of aircraft components to Iran through the UAE and Turkey. Eliabachus was the principal officer and operator of Edsun Equipments LLC, a New

Jersey-based aviation parts trading company run out of her residence. Peyman Amiri Larijani was the owner of an Iran-based procurement firm and served as operations and sales manager of a network of supply and engineering companies in Tehran, Iran and Istanbul, Turkey.

From May 2015 through October 2017, Eliabachus, Larijani, and their co-conspirators facilitated at least 49 shipments containing 23,554 controlled aircraft parts from the United States to Iran, all of which were exported without the required licenses. Eliabachus conspired with Larijani, whose international network helped initiate the purchase of U.S.-origin aircraft components on behalf of Larijani's clients in Iran. The network's client list included Iranian airline companies, several of which have been officially designated by the United States as a threat to national security, foreign policy, or economic interests. One company, Mahan Air Co., has been subject to sanctions by the United States for providing financial, material, and technological support to the Islamic Revolutionary Guard Corps-Qods Force, and allegedly ferrying arms and reinforcements to designated terrorist groups such as Hezbollah and Hamas. Eliabachus used her company to finalize the purchase and acquisition of the requested components from the various U.S.-based distributors. She repackaged and shipped the components to shipping companies in the UAE and Turkey, where Larijani and other Iranian conspirators directed the components to locations in Iran. In order to obscure the extent of the network's procurement activities, Eliabachus routinely falsified the true destination and end-user of the aircraft components she acquired. She also falsified the true value of the components being exported in order to avoid filing export control forms, which further obscured the network's illegal activities from law enforcement. The funds for the illicit transactions were obtained from the Iranian purchasers, funneled through Turkish bank accounts held in the names of shell companies controlled by the Iranian conspirators. The money was ultimately transferred into one of Edsun Equipments' accounts in the United States. This is a joint investigation with OEE and U.S. Immigration and Customs Enforcement.

Oil, Gas, Petrochemical, and Industrial Goods to Iran

On October 1, 2020, IC Link Industries Ltd., Mohammad Khazrai Shaneivar, and Arezoo Hashemnejad Alamdari pled guilty and were sentenced in U.S. District Court for the Northern District of Ohio. Shaneivar was sentenced to a \$100,000 criminal fine and the forfeiture of three commercial properties appraised at over \$2,000,000. IC Link was sentenced to a \$200,000 criminal fine, and Alamdari was sentenced to a \$5,000 criminal fine. The plea and sentencing are related to the illegal export of oil, gas, petrochemical, and industrial goods to Iran. Shaneivar, through IC Link, received orders from Alamdari and others on behalf of customers in Iran including the National Iranian Oil Company and other entities controlled by the government of Iran.

**Department of Commerce
BUREAU OF INDUSTRY AND SECURITY
Operations and Administration
Program Changes for FY 2022, Export Enforcement
(Dollar amounts in thousands)**

		FY 2022 Base		FY 2022 Estimate		Increase/Decrease from FY 2022 Base	
		Personnel	Amount	Personnel	Amount	Personnel	Amount
Export	Pos./BA	223	73,151	227	74,609	4	1,458
Enforcement	FTE/Obl.	223	73,151	226	74,609	3	1,458

Securing the Information and Communication Technology and Services Supply Chain (\$1,458, 3 FTEs /4 Positions) - This proposed program increase of \$1,458,260 to the Export Enforcement program is necessary in order to provide required resources, support for criminal investigators, analysts, and an attorney, to provide a credible enforcement and penalty capability to accompany implementation of the information and communications technology and services (ICTS) rule. The additional personnel will work with partners within Commerce including NTIA and other agencies to include the FBI to counter foreign adversaries in efforts to exploit U.S. ICTS. The ICTS supply chain is critical to nearly every aspect of U.S. national security. U.S. business and governments at all levels rely heavily on ICTS, which: underpin our economy; support critical infrastructure and emergency services; and facilitate the nation’s ability to store, process, and transmit vast amounts of data, including sensitive information, that is used for personal, commercial, government, and national security purposes. The ICTS supply chain must be secure to protect our national security, including the economic strength that is an essential element of our national security. Ensuring the resilience of, and trust in, our ICTS supply chain is an issue that touches upon national security, including economic security, and public health and safety.

Performance Measures:	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
With program change:	Will allow investigations into allegations of violations of the ICTS rule	Will allow investigations into allegations of violations of the ICTS rule	Will allow investigations into allegations of violations of the ICTS rule	Will allow investigations into allegations of violations of the ICTS rule	Will allow investigations into allegations of violations of the ICTS rule
Without program change:	Vulnerabilities to data integrity can be created by a foreign adversary's hardware and software into U.S. networks and systems.	Vulnerabilities to data integrity can be created by a foreign adversary's hardware and software into U.S. networks and systems.	Vulnerabilities to data integrity can be created by a foreign adversary's hardware and software into U.S. networks and systems.	Vulnerabilities to data integrity can be created by a foreign adversary's hardware and software into U.S. networks and systems.	Vulnerabilities to data integrity can be created by a foreign adversary's hardware and software into U.S. networks and systems.
Outyear Cost:					
Direct Obligations:					
Uncapitalized	1,458	1,487	1,517	1,547	1,578
Budget Authority:					
Outlays	1,239	1,410	1,511	1,541	1,572
FTE	3	4	4	4	4
Positions	4	4	4	4	4

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

Activity: Export Enforcement

Program Change: Securing the Information and Communications Technology and Services Supply Chain (ICTS)

Title		Grade	Number	Annual Salary	Total Salaries
Attorney		GS-15	0.5	161,730	80,865
Office of Administration/CIO Resource		GS-14	0.5	137,491	68,746
Export Compliance Analyst		GS-13	1	116,353	116,353
Special Agent		GS-13	2	116,353	232,706
Total			4		498,670
Mission Support	3%				14,960
Plus: Special Agents Availability Pay	25%				58,177
Less lapse	25%		(1)		(142,952)
Total full-time permanent (FTE)			3		428,855
2022 Pay Raise	2.7%				11,579
Total					440,434
Personnel Data					
Full-time Equivalent Employment					
Full-time permanent			3		
Other than full-time permanent			0		
Total			3		
Authorized Positions:					
Full-time permanent			4		
Other than full-time permanent			0		
Total			4		

Department of Commerce
BUREAU OF INDUSTRY AND SECURITY
Operations and Administration
Program Change Detail by Object Class, Export Enforcement
(Dollar amounts in thousands)

Activity: Export Enforcement

Program Change: Securing the Information and Communications Technology and Services Supply Chain (ICTS)

Object Class	FY 2020 Actual	FY 2021 Enacted	FY 2022 Base	FY 2022 Estimate	Increase/Decrease from FY 2022 Base
11.1 Full-time permanent compensation	22,302	27,183	27,958	28,340	382
11.3 Other than full-time permanent	162	170	187	187	0
11.5 Other personnel compensation	3,618	4,392	4,547	4,605	58
11.8 Special personal services payments	0	0	0	0	0
11.9 Total personnel compensation	26,082	31,745	32,692	33,132	440
12.1 Civilian personnel benefits	12,099	14,603	15,912	16,099	187
13 Benefits for former personnel	11	8	8	8	0
21 Travel and transportation of persons	765	619	622	655	33
22 Transportation of things	239	193	195	196	1
23 Rent, communications, and utilities					
23.1 Rental payments to GSA	3,437	2,780	2,937	2,937	0
23.2 Rental payments to others	0	0	0	0	0
23.3 Communications, utilities, and misc. charges	1,697	1,373	1,401	1,464	63
24 Printing and reproduction	8	6	6	7	1
25 Other contractual services					
25.1 Advisory and assistance services	1,775	1,436	1,477	1,477	0
25.2 Other services from non-federal sources	5,278	4,269	4,288	4,860	572
25.3 Other goods and services from federal sources	19,959	16,144	11,199	11,312	113
25.4 Operation and maintenance of facilities	0	0	0	0	0
25.5 Research and development contracts	0	0	0	0	0
25.6 Medical care	0	0	0	0	0

25.7	Operation and maintenance of equipment	0	0	0	0	0
25.8	Subsistence and support of persons	0	0	0	0	0
26	Supplies and materials	1,310	1,060	1,079	1,106	27
31	Equipment	1,617	1,308	1,333	1,354	21
32	Lands and structures	0	0	0	0	0
33	Investments and loans	0	0	0	0	0
41	Grants, subsidies and contributions	0	0	0	0	0
42	Insurance claims and indemnities	0	0	0	0	0
43	Interest and dividends	2	2	2	2	0
44	Refunds	0	0	0	0	0
99.9	Total obligations	74,279	75,546	73,151	74,609	1,458

Department of Commerce
BUREAU OF INDUSTRY AND SECURITY
Operations and Administration
Program Change for FY 2022, Export Enforcement
(Dollar amounts in thousands)

		FY 2022		FY 2022		Increase/Decrease	
		Base		Estimate		from FY 2022 Base	
		Personnel	Amount	Personnel	Amount	Personnel	Amount
Export	Pos./BA	223	73,151	223	72,310	0	(841)
Enforcement	FTE/Obl.	223	73,151	223	72,310	0	(841)

Export Control Officer (ECO) Program (-\$841, 0 FTEs/0 Positions) - The proposed realignment of \$841,000 is necessary to right size the Export Control Officer (ECO) program to estimated costs incurred in the execution year based on a 5-year historical trend analysis. In FY 2022, the ECO program will maintain operations consistent with previous year level of activity and personnel resources. BIS will continue to engage with international partners, including Germany and India, as well as trans-shipment hubs, such as Finland, Malaysia, Singapore, and the United Arab Emirates to prevent the diversion of U.S. origin items.

Overall ECO resources will be used to maintain tactical and strategic enforcement and analytical capabilities. This will ensure continued enforcement capabilities to support the ongoing implementation of the Export Control Reform Act of 2018 (ECRA) and our nation’s national security objectives.

Performance Measures:	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
With program change:	ECO program will maintain operations and engage with partners to prevent the diversion of U.S. origin items.	ECO program will maintain operations and engage with partners to prevent the diversion of U.S. origin items.	ECO program will maintain operations and engage with partners to prevent the diversion of U.S. origin items.	ECO program will maintain operations and engage with partners to prevent the diversion of U.S. origin items.	ECO program will maintain operations and engage with partners to prevent the diversion of U.S. origin items.
Without program change:	ECO program will maintain operations and engage with partners to prevent the diversion of U.S. origin items.	ECO program will maintain operations and engage with partners to prevent the diversion of U.S. origin items.	ECO program will maintain operations and engage with partners to prevent the diversion of U.S. origin items.	ECO program will maintain operations and engage with partners to prevent the diversion of U.S. origin items.	ECO program will maintain operations and engage with partners to prevent the diversion of U.S. origin items.
Outyear Cost:					
Direct Obligations:					
Uncapitalized	(841)	(858)	(875)	(892)	(910)
Budget Authority:					
Outlays	(715)	(813)	(872)	(889)	(906)
FTE	0	0	0	0	0
Positions	0	0	0	0	0

Department of Commerce
BUREAU OF INDUSTRY AND SECURITY
Operations and Administration
Program Change Detail by Object Class, Export Enforcement
(Dollar amounts in thousands)

Activity: Export Enforcement
Program Change: Export Enforcement (ECO) Program

Object Class	FY 2020 Actual	FY 2021 Enacted	FY 2022 Base	FY 2022 Estimate	Increase/Decrease from FY 2022 Base
11.1 Full-time permanent compensation	22,302	27,183	27,958	27,958	0
11.3 Other than full-time permanent	162	170	187	187	0
11.5 Other personnel compensation	3,618	4,392	4,547	4,547	0
11.8 Special personal services payments	0	0	0	0	0
11.9 Total personnel compensation	26,082	31,745	32,692	32,692	0
12.1 Civilian personnel benefits	12,099	14,603	15,912	15,912	0
13 Benefits for former personnel	11	8	8	8	0
21 Travel and transportation of persons	765	619	622	622	0
22 Transportation of things	239	193	195	195	0
23 Rent, communications, and utilities			0	0	
23.1 Rental payments to GSA	3,437	2,780	2,937	2,937	0
23.2 Rental payments to others	0	0	0	0	0
23.3 Communications, utilities, and misc. charges	1,697	1,373	1,401	1,401	0
24 Printing and reproduction	8	6	6	6	0
25 Other contractual services			0	0	
25.1 Advisory and assistance services	1,775	1,436	1,477	1,477	0
25.2 Other services from non-federal sources	5,278	4,269	4,288	4,288	0
25.3 Other goods and services from federal sources	19,959	16,144	11,199	10,358	(841)
25.4 Operation and maintenance of facilities	0	0	0	0	0
25.5 Research and development contracts	0	0	0	0	0
25.6 Medical care	0	0	0	0	0

25.7	Operation and maintenance of equipment	0	0	0	0	0
25.8	Subsistence and support of persons	0	0	0	0	0
26	Supplies and materials	1,310	1,060	1,079	1,079	0
31	Equipment	1,617	1,308	1,333	1,333	0
32	Lands and structures	0	0	0	0	0
33	Investments and loans	0	0	0	0	0
41	Grants, subsidies and contributions	0	0	0	0	0
42	Insurance claims and indemnities	0	0	0	0	0
43	Interest and dividends	2	2	2	2	0
44	Refunds	0	0	0	0	0
99.9	Total obligations	74,279	75,546	73,151	72,310	(841)

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

Object Class	FY 2020 Actual	FY 2021 Enacted	FY 2022 Base	FY 2022 Estimate	Increase/Decrease from FY 2022 Base
11.1 Full-time permanent compensation	44,485	56,671	58,402	59,104	702
11.3 Other than full-time permanent	471	573	590	590	0
11.5 Other personnel compensation	4,131	5,076	5,231	5,289	58
11.8 Special personal services payments	0	0	0	0	0
11.9 Total personnel compensation	49,087	62,320	64,223	64,983	760
12.1 Civilian personnel benefits	19,545	24,472	27,103	27,392	289
13 Benefits for former personnel	27	21	21	21	0
21 Travel and transportation of persons	971	785	792	841	49
22 Transportation of things	242	195	199	201	2
23 Rent, communications, and utilities					
23.1 Rental payments to GSA	6,907	5,588	5,904	5,904	0
23.2 Rental payments to others	0	0	0	0	0
23.3 Communications, utilities, and misc. charges	3,675	2,978	3,035	3,145	110
24 Printing and reproduction	18	15	15	17	2
25 Other contractual services					
25.1 Advisory and assistance services	5,317	4,354	4,437	4,437	0
25.2 Other services from non-Federal sources	11,292	9,094	9,132	9,729	597
25.3 Other goods and services from Federal sources	32,419	26,164	21,569	20,961	(608)
25.4 Operation and maintenance of facilities	0	0	0	0	0
25.5 Research and development contracts	0	0	0	0	0
25.6 Medical care	0	0	0	0	0
25.7 Operation and maintenance of equipment	0	0	0	0	0
25.8 Subsistence and support of persons	0	0	0	0	0

26	Supplies and materials	2,460	1,986	2,024	2,053	29
31	Equipment	3,252	2,632	2,682	2,718	36
32	Lands and structures	0	0	0	0	0
33	Investments and loans	0	0	0	0	0
41	Grants, subsidies and contributions	0	0	0	0	0
42	Insurance claims and indemnities	0	0	0	0	0
43	Interest and dividends	9	8	8	8	0
44	Refunds	0	0	0	0	0
99.9	Total obligations	135,221	140,612	141,144	142,410	1,266
	Less prior year recoveries	(9,150)	(6,000)	0	0	0
	Less prior year unobligated balance, start of year	(1,031)	(2,612)	(1,000)	(1,000)	0
	Less prior year unobligated balance, end of year	2,612	1,000	1,000	1,000	0
	Total Budget Authority	127,652	133,000	141,144	142,410	1,266
Personnel Data						
Full-time Equivalent Employment						
	Full-time permanent	349	445	445	450	5
	Other than full-time permanent	3	3	3	3	0
	Total	352	448	448	453	5
Authorized Positions:						
	Full-time permanent	364	443	443	450	7
	Other than full-time permanent	5	5	5	5	0
	Total	369	448	448	455	7

Department of Commerce
BUREAU OF INDUSTRY AND SECURITY
Operations and Administration
Select Activities by Object Class, Management and Policy Coordination
(Dollar amounts in thousands)

Object Class	FY 2020 Actual	FY 2021 Enacted	FY 2022 Base	FY 2022 Estimate	Increase/Decrease from FY 2022 Base
11.1 Full-time permanent compensation	1,281	2,238	2,305	2,305	0
11.3 Other than full-time permanent	0	0	0	0	0
11.5 Other personnel compensation	33	58	58	58	0
11.8 Special personal services payments	0	0	0	0	0
11.9 Total personnel compensation	1,314	2,296	2,363	2,363	0
12.1 Civilian personnel benefits	364	636	727	727	0
13 Benefits for former personnel	0	0	0	0	0
21 Travel and transportation of persons	15	9	9	9	0
22 Transportation of things	0	0	0	0	0
23 Rent, communications, and utilities					
23.1 Rental payments to GSA	241	148	159	159	0
23.2 Rental payments to others	0	0	0	0	0
23.3 Communications, utilities, and misc. charges	114	70	72	72	0
24 Printing and reproduction	2	2	2	2	0
25 Other contractual services					
25.1 Advisory and assistance services	0	0	0	0	0
25.2 Other services from non-federal sources	619	381	381	381	0
25.3 Other goods and services from federal sources	1,181	729	637	700	63
25.4 Operation and maintenance of facilities	0	0	0	0	0
25.5 Research and development contracts	0	0	0	0	0
25.6 Medical care	0	0	0	0	0
25.7 Operation and maintenance of equipment	0	0	0	0	0
25.8 Subsistence and support of persons	0	0	0	0	0

26	Supplies and materials	104	64	65	65	0
31	Equipment	113	70	72	72	0
32	Lands and structures	0	0	0	0	0
33	Investments and loans	0	0	0	0	0
41	Grants, subsidies and contributions	0	0	0	0	0
42	Insurance claims and indemnities	0	0	0	0	0
43	Interest and dividends	0	0	0	0	0
44	Refunds	0	0	0	0	0
99.9	Total obligations	4,067	4,405	4,487	4,550	63
	Less prior year recoveries	(80)	(197)	0	0	0
	Less prior year unobligated balance, start of year	(36)	(35)	(35)	(35)	0
	Plus prior year unobligated balance, end of year	92	35	35	35	0
	Total Budget Authority	4,043	4,208	4,487	4,550	63
Personnel Data						
Full-time Equivalent Employment						
	Full-time permanent	9	16	16	16	0
	Other than full-time permanent	0	0	0	0	0
	Total	9	16	16	16	0
Authorized Positions:						
	Full-time permanent	10	16	16	16	0
	Other than full-time permanent	0	0	0	0	0
	Total	10	16	16	16	0

Department of Commerce
BUREAU OF INDUSTRY AND SECURITY
Operations and Administration
Select Activities by Object Class, Export Administration
(Dollar amounts in thousands)

Object Class	FY 2020 Actual	FY 2021 Enacted	FY 2022 Base	FY 2022 Estimate	Increase/Decrease from FY 2022 Base
11.1 Full-time permanent compensation	20,902	27,250	28,139	28,459	320
11.3 Other than full-time permanent	309	403	403	403	0
11.5 Other personnel compensation	480	626	626	626	0
11.8 Special personal services payments	0	0	0	0	0
11.9 Total personnel compensation	21,691	28,279	29,168	29,488	320
12.1 Civilian personnel benefits	7,082	9,233	10,464	10,566	102
13 Benefits for former personnel	16	13	13	13	0
21 Travel and transportation of persons	191	157	161	177	16
22 Transportation of things	3	2	4	5	1
23 Rent, communications, and utilities				0	
23.1 Rental payments to GSA	3,229	2,660	2,808	2,808	0
23.2 Rental payments to others	0	0	0	0	0
23.3 Communications, utilities, and misc. charges	1,864	1,535	1,562	1,609	47
24 Printing and reproduction	8	7	7	8	1
25 Other contractual services					
25.1 Advisory and assistance services	3,542	2,918	2,960	2,960	0
25.2 Other services from non-federal sources	5,395	4,444	4,463	4,488	25
25.3 Other goods and services from federal sources	11,279	9,291	9,733	9,790	57
25.4 Operation and maintenance of facilities	0	0	0	0	0
25.5 Research and development contracts	0	0	0	0	0
25.6 Medical care	0	0	0	0	0
25.7 Operation and maintenance of equipment	0	0	0	0	0
25.8 Subsistence and support of persons	0	0	0	0	0

26	Supplies and materials	1,046	862	880	882	2
31	Equipment	1,522	1,254	1,277	1,292	15
32	Lands and structures	0	0	0	0	0
33	Investments and loans	0	0	0	0	0
41	Grants, subsidies and contributions	0	0	0	0	0
42	Insurance claims and indemnities	0	0	0	0	0
43	Interest and dividends	7	6	6	6	0
44	Refunds	0	0	0	0	0
99.9	Total obligations	56,875	60,661	63,506	64,092	586
	Less prior year recoveries	(689)	(886)	0	0	0
	Less prior year unobligated balance, start of year	(482)	(468)	(468)	(468)	0
	Plus prior year unobligated balance, end of year	1,221	468	468	468	0
	Total Budget Authority	56,925	59,775	63,506	64,092	586
Personnel Data						
Full-time Equivalent Employment						
	Full-time permanent	156	207	207	209	2
	Other than full-time permanent	2	2	2	2	0
	Total	158	209	209	211	2
Authorized Positions:						
	Full-time permanent	164	206	206	209	3
	Other than full-time permanent	3	3	3	3	0
	Total	167	209	209	212	3

Department of Commerce
BUREAU OF INDUSTRY AND SECURITY
Operations and Administration
Select Activities by Object Class, Export Enforcement
(Dollar amounts in thousands)

Object Class	FY 2020 Actual	FY 2021 Enacted	FY 2022 Base	FY 2022 Estimate	Increase/Decrease from FY 2022 Base
11.1 Full-time permanent compensation	22,302	27,183	27,958	28,340	382
11.3 Other than full-time permanent	162	170	187	187	0
11.5 Other personnel compensation	3,618	4,392	4,547	4,605	58
11.8 Special personal services payments	0	0	0	0	0
11.9 Total personnel compensation	26,082	31,745	32,692	33,132	440
12.1 Civilian personnel benefits	12,099	14,603	15,912	16,099	187
13 Benefits for former personnel	11	8	8	8	0
21 Travel and transportation of persons	765	619	622	655	33
22 Transportation of things	239	193	195	196	1
23 Rent, communications, and utilities					
23.1 Rental payments to GSA	3,437	2,780	2,937	2,937	0
23.2 Rental payments to others	0	0	0	0	0
23.3 Communications, utilities, and misc. charges	1,697	1,373	1,401	1,464	63
24 Printing and reproduction	8	6	6	7	1
25 Other contractual services					
25.1 Advisory and assistance services	1,775	1,436	1,477	1,477	0
25.2 Other services from non-federal sources	5,278	4,269	4,288	4,860	572
25.3 Other goods and services from federal sources	19,959	16,144	11,199	10,471	(728)
25.4 Operation and maintenance of facilities	0	0	0	0	0
25.5 Research and development contracts	0	0	0	0	0
25.6 Medical care	0	0	0	0	0
25.7 Operation and maintenance of equipment	0	0	0	0	0
25.8 Subsistence and support of persons	0	0	0	0	0

26	Supplies and materials	1,310	1,060	1,079	1,106	27
31	Equipment	1,617	1,308	1,333	1,354	21
32	Lands and structures	0	0	0	0	0
33	Investments and loans	0	0	0	0	0
41	Grants, subsidies and contributions	0	0	0	0	0
42	Insurance claims and indemnities	0	0	0	0	0
43	Interest and dividends	2	2	2	2	0
44	Refunds	0	0	0	0	0
99.9	Total obligations	74,279	75,546	73,151	73,768	617
	Less prior year recoveries	(8,381)	(4,917)	0	0	0
	Less prior year unobligated balance, start of year	(513)	(2,109)	(497)	(497)	0
	Plus prior year unobligated balance, end of year	1,299	497	497	497	0
	Total Budget Authority	66,684	69,017	73,151	73,768	617
Personnel Data						
Full-time Equivalent Employment						
	Full-time permanent	184	222	222	225	3
	Other than full-time permanent	1	1	1	1	0
	Total	185	223	223	226	3
Authorized Positions:						
	Full-time permanent	190	221	221	225	4
	Other than full-time permanent	2	2	2	2	0
	Total	192	223	223	227	4

**Department of Commerce
BUREAU OF INDUSTRY AND SECURITY
Operations and Administration
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. 4801-4852
50 U.S.C. 4601 et seq.
10 U.S.C. 7430(e)
22 U.S.C. 2778
22 U.S.C. 2799aa-1(b)
22 U.S.C. 6001-6005
22 U.S.C. 7201-7211
22 U.S.C. 8544
22 U.S.C. 8551(c)(2)
42 U.S.C. 2139a
15 U.S.C. 1824a
50 U.S.C. 1701 et seq.

50 U.S.C. 4801-4852, et. seq. is the Export Control Reform Act of 2018 (ECRA), which provides authority for the regulation of exports of dual-use items for reasons of national security, foreign policy, or short supply. ECRA also authorizes implementation of restrictions on compliance with foreign boycotts and other restrictive trade practices.

Prior to August 13, 2018 and the President signing ECRA into law, the Export Administration Act of 1979, as amended, 50 U.S.C. Sections 4601-4623 (Supp. III 2015) (EAA) provided the above-mentioned legal authorities. The EAA lapsed on August 20, 2001, but was continued in effect by the President through Executive Order 13,222 of August 17, 2001 (3 C.F.R., 2001 Comp. p. 783 (2002)), as amended by Executive Order 13,637 of March 8, 2013, 78 FR 16129 (March 13, 2013), which was extended by successive Presidential Notices under the authority of the International Emergency Economic Powers Act (50 U.S.C. 1701 et seq.) (IEEPA).

Section 1766 of ECRA (which will be included as notes to 50 U.S.C. 4601-4610, 4614-4623) repealed the provisions of the EAA, except Sections 11A, 11B, and 11C, for which the EAA and the president's actions to continue its provisions in effect still provide the authority. 50 U.S.C. 4826 provided, in pertinent part, that all rules and regulations made or issued under the EAA, including as continued in effect pursuant to IEEPA, and were in effect as of ECRA's date of enactment (August 13, 2018), shall continue in effect according to their terms until modified, superseded, set aside, or revoked through action undertaken pursuant to the authority provided under ECRA.

10 U.S.C. 7430(e) is a provision related to the export of oil and gas.

22 U.S.C. 2778 (note) was amended by Section 1261 of the National Defense Authorization Act for Fiscal Year 2013, which repealed previous legislation that had placed satellites and related items on the United States Munitions List. Section 1261 permits the President to remove these items from the United States Munitions List and place them on the Commerce Control List.

22 U.S.C. 2799aa-1(b) requires the President to impose sanctions, including prohibiting exports of specific goods and technologies, pursuant to the requirements of the Foreign Assistance Act of 1961 (22 U.S.C. 2151 et seq.), on a non-nuclear-weapon state that receives or detonates a nuclear explosive device.

22 U.S.C. 6001-6010 set forth provisions of the Cuban Democracy Act, as amended by the Cuban Liberty and Democratic Solidarity (Libertad) Act, 22 U.S.C. 6021-6091, related to certain exports to Cuba.

22 U.S.C. 7201-7211 (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.

22 U.S.C. 8544 authorizes the Secretary of Commerce to designate any employee of the Office of Export Enforcement of the Department of Commerce to conduct certain activities specified under the Export Administration Act of 1979, 50 U.S.C. 4614(a)(3)(B), when the employee is carrying out activities to enforce:

- (1) the provisions of the Export Administration Act of 1979;
- (2) Accountability, and Divestment Act of 2010, a provision of Title III of the Comprehensive Iran Sanctions, or any other provision of law relating to export controls with respect to which the Secretary of Commerce has enforcement responsibility; or
- (3) any license, order, or regulation issued under the Export Administration Act of 1979 or any other provision of law relating to export controls with respect to which the Secretary of Commerce has enforcement responsibility.

22 U.S.C. 8551(c)(2) authorizes the appropriation of sums to carry out the Office of Export Enforcement's law enforcement activities under 22 U.S.C 8544.

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.

15 U.S.C. 1824a prohibits the export of horses by sea for purposes of slaughter.

50 U.S.C. 1701 et seq. (International Emergency Economic Powers Act, as amended) 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.
 22 U.S.C. 8101 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. 3816
 50 U.S.C. 4501 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. (Chemical Weapons Convention Implementation Act of 1998) authorizes the President to implement U.S. obligations under the Chemical Weapons Convention (CWC), 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 Executive Order 13128, June 25, 1999).

22 U.S.C. 8101 et seq. (United States Additional Protocol Implementation Act) authorizes the President to carry out U.S. obligations under the “Protocol Additional to the Agreement between the United States of America and the International Atomic Energy Agency (IAEA) for the Application of Safeguards in the United States of America” signed in Vienna, Austria, on June 12, 1998.

- These obligations include reporting requirements of facilities engaged in nuclear activities and inspections of such facilities by members of the IAEA accompanied by U.S. government representatives;
- All are functions delegated to the Secretary of Commerce in Executive Order 13458, February 4, 2008.

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 Executive Order 11879, September 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 Executive Order 12656, November 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 Executive Order 12742, January 8, 1991).

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

50 U.S.C. 3816 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 Executive Order 12742, January 8, 1991).

50 U.S.C. 4501 et seq. (Defense Production Act of 1950, as amended) authorizes the Bureau of Industry and Security (BIS) to set priorities for performance of defense and energy-related contracts and to allocate materials and supplies that are essential for national defense purposes and for maximization of domestic energy supplies, including the following:

1. 50 U.S.C. 4511 provides for U.S. Government priority rating of contracts and orders necessary to promote the national defense;
2. 50 U.S.C. 4568 authorizes the Secretary of Commerce to produce the Annual Report on Offsets;
3. 50 U.S.C. 4554 authorizes the President to prescribe such regulations and issue orders appropriate to carry out the Defense Priorities and Allocations System;
4. 50 U.S.C. 4555 authorizes the conduct of investigations and production of records and other documents;
5. The Department of Commerce also is authorized to conduct studies and assessments of the health and competitiveness of the U.S defense industrial base; and
6. Executive Order 13603, March 16, 2012, delegates to the Secretary of Commerce, in whole or part, authorities one through five, above, as functions of that cabinet post.

7. 50 U.S.C. 4565 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.
8. The Department of Commerce—via BIS and the International Trade Administration (ITA)—participates as a member of the Committee on Foreign Investment in the United States (CFIUS).

C. Other

15 U.S.C. 1501 et seq.

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

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

15 U.S.C. 1531
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 overseas program activity at the appropriated program levels.

22 U.S.C. 3922 permits the Secretary of Commerce access through the U.S. Foreign Service personnel system to human resources capable of performing international trade functions, and having those resources transferred to Commerce.

- Authority for transfer rests in Reorganization Plan No. 3 of 1979 (5 U.S.C. 903 note);
- Plan No. 3 also provides for reallocation of other Commerce Department human resources, to the extent the President determines to be necessary for the Department to perform functions that require service abroad.

3. Full medical coverage for dependent members of immediate families of employees stationed 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;

No Specific Authority

See 44 Comp. Gen. 761 (1965); H.R. Rep. No. 188, 89th Cong., 1st Sess. 5-13 (June 1, 1965).

- Federal agencies must have specific legislative authority to procure personal services by contract.
- 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; or 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 an 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;

No Specific Authority

- 28 U.S.C. 2672 provides for settlement of tort claims for money damages of \$25,000 or less against the U.S.
- The head of each Federal agency retains that authority 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;
- The provision applies in circumstances where the United States, if it were a private person, would be liable under local law.
- However, 28 U.S.C. 2680(k) exempts the settlement of tort claims that arise abroad from the provisions of 28 U.S.C. 2672.
- The language requested would exempt BIS from 28 U.S.C. 2680 and would authorize the settlement of tort claims against the United States that arise in connection with its activities abroad.

6. Not to exceed \$13,500 for official representation expense abroad;

No Specific Authority

- See, e.g., 43 Comp. Gen. 305 (1963).
- This ruling provides specific authority for BIS to expend up to \$13,500 for entertainment and similar expenses related to its official activities abroad.
- Appropriated funds may not be expended for entertainment except when specifically authorized by law, such as in this Comptroller's General determination.

7. Awards of compensation to informers under the Export Control Reform Act of 2018 (replacing the Export Administration Act of 1979), and authorized by 22 U.S.C. 401(b);

50 U.S.C. 4820 22 U.S.C. 401(b)

50 U.S.C. 4820 provides the authority to conduct investigations and obtain information in order to enforce the provisions of the Export Control Reform Act of 2018.

22 U.S.C. 401(b) provides for awards of compensation to informers providing information concerning illegal exports of war materials or other articles in violation of the law, when funds are specifically provided therefor.

8. Purchase of passenger motor vehicles for official use and motor vehicles for law enforcement use with special requirement vehicles eligible for purchase without regard to any price limitation otherwise established by law;

No Specific Authority

31 U.S.C. 1343 prohibits 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 it is available after the fiscal year covered by the law in which it appears." The statement, "to remain available until expended," constitutes such express language.

10. Authority for BIS to conduct activities under the Mutual Educational and Cultural Exchange Act of 1961 (MECEA).

22 U.S.C. 2455(f)

22 U.S.C. 2458(c)

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: 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.

22 U.S.C. 2455(f) provides authority to accept contributions of funds, property, and services from foreign governments, international organizations, 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 other 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
Advisory and Assistance Services
(Dollar amounts in thousands)

	FY 2020 Actual	FY 2021 Enacted	FY 2022 Estimate
Consulting Services	5,317	4,354	4,437
Management and Professional Services	0	0	0
Special Studies and Analyses	0	0	0
Management and Support Services for Research and Development	0	0	0
Total	5,317	4,354	4,437

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

	FY 2020 Actual	FY 2021 Enacted	FY 2022 Estimate
Periodicals	111	317	323
Pamphlets	0	0	0
Audiovisuals	0	0	0
Total	111	317	323

BIS issues Federal Register publications, which provides a means for BIS to announce to the public changes to government requirements, policies, and guidance related to Export Administration Regulations (EAR).

Department of Commerce
BUREAU OF INDUSTRY AND SECURITY
Operations and Administration
Average Grade and Salaries
(Dollar amounts in thousands)

	FY 2020 Actual	FY 2021 Enacted	FY 2022 Estimate
Average ES Level	3	3	3
Average GS/GM Grade	13-07	13-08	13-08
Average GS/GM Salary	124	127	128

**Department of Commerce
BUREAU OF INDUSTRY AND SECURITY
Operations and Administration
Implementation Status of GAO and OIG Recommendations**

THE PRESIDENT’S BUDGET AND CONGRESSIONAL BUDGET SUBMISSION

EXHIBIT 41

IMPLEMENTATION STATUS OF GAO AND OIG RECOMMENDATIONS

31 U.S.C. 720, as amended January 3, 2019, requires the head of a federal agency to submit a written statement of the actions taken or planned on Government Accountability Office (GAO) recommendations to the House and Senate Committees on Appropriations with the agency's first request for appropriations made more than 180 calendar days after the date of the report.

The Good Accounting Obligation in Government Act (GAO-IG Act), passed on January 3, 2019, (P.L. 115-414) requires each agency to include, in its annual budget justification, a report that identifies each public recommendation issued by GAO and the agency's office of the inspector general (OIG) which has remained unimplemented for one year or more from the annual budget justification submission date. In addition, the Act requires a reconciliation between the agency records and the IGs' Semiannual Report to Congress (SAR).

Section 1. Recommendations for which action plans were finalized since the last appropriations request.

Include information on recommendations for which an action plan has been completed since the last budget report. If you have nothing to report, state nothing to Report.”

Report Number	GAO-20-394
Report Title	EXPORT CONTROLS: State and Commerce Should Improve Guidance and Outreach to Address University-Specific Compliance Issues
Issue Date	May 12, 2020

Report Number	GAO-20-394
Recommendation Number	2
Recommendation	The Secretary of Commerce should ensure that the Under Secretary for Industry and Security, in consultation with university representatives, provides additional or revises existing guidance and outreach to address university-specific export control issues to further support universities' understanding and implementation of the regulations.
Action(s) Planned	<ul style="list-style-type: none"> • The Department will discuss with university representatives the challenges specific to understanding and implementing export controls in universities. • The Department will revise its current guidance to address university-specific challenges in complying with export controls. • The Department has initiated increased outreach to universities, including webinars and seminars. This outreach will be in addition to the Department's participation in university-associated professional conferences, such as the Association of University Export Compliance Officers.
Action(s) Status	Complete
Target Completion Date	Having initiated increased outreach to university representatives, the Department estimates that it will complete the revisions to existing guidance by the end of Calendar Year 2020.
Recommendation Status (e.g. Planned, In-Progress, or Complete)	Complete

Report Number	GAO-20-517
Report Title	Steel and Aluminum Tariffs: Commerce Should Improve Its Exclusion Request Process and Economic Impact Reviews
Issue Date	September 2020

Report Number	GAO-20-517
Recommendation Number	1
Recommendation	The Secretary of Commerce should direct BIS to identify, analyze, and respond to factors in the process that may cause submission errors.
Action(s) Planned	<p>The Department will continue to work to identify, analyze, and respond to factors in the process that drive submission errors in the 232 Exclusions Portal. The Department’s BIS and the International Trade Administration (ITA) will continue to work to further improve the 232 Exclusion Process in collaboration with interagency partners and informed by public comments from domestic industry and other stakeholders.</p> <p>As part of this effort, the Department will:</p> <ul style="list-style-type: none"> • Publish a Notice of Inquiry in the <i>Federal Register</i> on an annual basis (at minimum) to solicit public input on additional process improvements to the 232 Exclusions Portal. BIS will use these comments to craft and publish regulatory amendments related to the 232 Exclusion Process in the <i>Federal Register</i>. • Explore the feasibility of further technical modifications to the 232 Exclusions Portal, including additional automatic checks to prevent the submission of forms containing common submission errors or inaccurate data. • Create and disseminate updated training materials and/or resources to assist industry in navigating common submission errors and the overall 232 Exclusion Process.
Action(s) Status	On-track.
Target Completion Date	The Department published a regulatory amendment to decrease common submission errors within the Exclusions Portal on December 14, 2020 (85 FR 81060). The Department will take steps as detailed above to publish an additional Notice of Inquiry and make additional technical modifications to the Portal during calendar year 2021.

Report Number	GAO-20-517
Recommendation Status (e.g. Planned, In-Progress, or Complete)	Planned

Report Number	GAO-20-517
Report Title	Steel and Aluminum Tariffs: Commerce Should Improve Its Exclusion Request Process and Economic Impact Reviews
Issue Date	September 2020
Recommendation Number	2
Recommendation	The Secretary of Commerce should direct BIS to identify, assess, and make program changes to address issues that have impeded timeliness and created the backlog of exclusion requests.
Action(s) Planned	<p>The Department will continue to work to identify, assess, and address issues that slow timeliness in the 232 Exclusions Portal. BIS and ITA will work to further improve the 232 Exclusion Process in collaboration with their interagency partners and informed by public comments from domestic industry and other stakeholders.</p> <p>As part of this effort, the Department will:</p> <ul style="list-style-type: none"> • Publish a Notice of Inquiry in the <i>Federal Register</i> on an annual basis (at minimum) to solicit public input on additional process improvements to the 232 Exclusions Portal. BIS will use these comments to craft and publish regulatory amendments related to the 232 Exclusion Process in the <i>Federal Register</i>. • Explore the feasibility of further technical modifications to the 232 Exclusions Portal including additional automatic processes to expedite the transfer of data on exclusion requests between BIS, CBP, and ITA. • Issue General Approved Exclusions for certain products demonstrated to not be produced by domestic manufacturers. Requesters will be able to use the General Approved Exclusions to forgo waiting for a determination in the 232 Exclusion Process.

Report Number	GAO-20-517
Action(s) Status	On-track.
Target Completion Date	The Department published a regulatory amendment on December 14, 2020, to improve the Exclusions Request submissions process (85 FR 86010). The Department will take steps as detailed above to publish an additional Notice of Inquiry and make additional technical modifications to the Portal during calendar year 2021.
Recommendation Status (e.g. Planned, In-Progress, or Complete)	Planned

Report Number	GAO-20-517
Report Title	Steel and Aluminum Tariffs: Commerce Should Improve Its Exclusion Request Process and Economic Impact Reviews
Issue Date	September 2020
Recommendation Number	3
Recommendation	The Secretary of Commerce should assign responsibility for regularly reviewing the impact of the tariffs on steel and aluminum imports, including tariff exclusions, and document the results.
Action(s) Planned	The Department has identified BIS, in coordination with ITA, as the lead bureau for regularly reviewing the impact of the tariffs on steel and aluminum imports, including tariff exclusions.
Action(s) Status	On-track.

Report Number	GAO-20-517
Target Completion Date	The Department, through BIS and ITA, will develop a regular reporting process and structure by May 31, 2021. The Department will take action to ensure that reports are documented and identify actions to improve upon its current reporting process.
Recommendation Status (e.g. Planned, In-Progress, or Complete)	Planned

Report Number	OIG-21-020-A
Report Title	Decisions on Exclusions from Section 232 Tariffs Were Not Transparent and Based on Incomplete and Inaccurate Information
Issue Date	January 25, 2021
Recommendation Number	1
Recommendation	Require an Objector that indicates it has Confidential Business Information (CBI) to provide a public summary of the CBI in its Objection Form.
Action(s) Planned	BIS is actively working to draft and publish a new Interim Final Rule (IFR) on the 232 Exclusions Process to establish a requirement to submit public summaries of certain Confidential Business Information (CBI), such as Delivery Time, with filed Exclusion Requests and Objection Filings. The IFRs published to date require a public summary of CBI for Rebuttals and Surrebuttals but not for Exclusion Requests or Objections.
Action(s) Status	On-track.
Target Completion Date	The Department plans to publish an IFR on the 232 Exclusions Process requiring the inclusion of public summaries of certain Confidential Business Information (CBI) submitted with Exclusion Requests and Objection Filings by the end of Fiscal Year 2021.

Report Number	OIG-21-020-A
Recommendation Status (e.g. Planned, In-Progress, or Complete)	Planned

Report Number	OIG-21-020-A
Report Title	Decisions on Exclusions from Section 232 Tariffs Were Not Transparent and Based on Incomplete and Inaccurate Information
Issue Date	January 25, 2021
Recommendation Number	2
Recommendation	Require personnel involved in the decision-making process on whether Exclusion Requests are granted or denied to document the reason for changes made to Decision Memoranda.
Action(s) Planned	BIS created an internal Decision Memoranda Change Log to document and track changes to posted Decision Memoranda in August 2020. The log contains the updated decision and comments explaining the rationale for each change to the posted Decision Memoranda. BIS also reaffirms its existing policy of alerting Requestors through their Point of Contact of any changes that affect their posted Decision.
Action(s) Status	Complete
Target Completion Date	BIS created its internal Decision Memoranda Change Log in August 2020.
Recommendation Status (e.g. Planned, In-Progress, or Complete)	Complete

Report Number	OIG-21-020-A
Report Title	Decisions on Exclusions from Section 232 Tariffs Were Not Transparent and Based on Incomplete and Inaccurate Information
Issue Date	January 25, 2021
Recommendation Number	3
Recommendation	Protect spreadsheets that are used to track Decision Memoranda from unauthorized changes.
Action(s) Planned	<p>BIS added password protection on all decision-making files associated with the 232 Exclusions Process (including decision sheets, internal tracking sheets, and interagency transfer sheets) in June 2020. BIS also reaffirms that access to these files, as well as the internal 232 SharePoint and 232 Exclusions Portal, is strictly regulated and controlled by BIS. BIS routinely tracks active internal user accounts and purges accounts no longer associated with the 232 Exclusions Process to prevent unauthorized access to secure documents, the internal 232 SharePoint, or the 232 Exclusions Portal.</p> <p>BIS also notes that the internal 232 SharePoint and 232 Exclusions Portal implemented in June 2019 contain additional controls (such as strict access permission requirements, user logs, and version histories) that further prevent unauthorized changes to decisions or submissions in the 232 Exclusions Process.</p>
Action(s) Status	Complete
Target Completion Date	BIS strengthened password protection on all decision-making files associated with the 232 Exclusions Process (including the spreadsheets used to track Decision Memoranda) in June 2020.
Recommendation Status (e.g. Planned, In-Progress, or Complete)	Complete

Section 2. Implementation of GAO public recommendations issued no less than one year ago that are designated by GAO as ‘Open’ or ‘Closed-Unimplemented.’

(a) Open Recommendation(s) the Department has decided not to implement.

Include information on all open recommendations made one year or more ago that the Department / bureau do not plan to implement. GAO recommendations are open until officially closed by GAO.

The Bureau of Industry and Security (BIS) has nothing to report.

(b) Open Recommendation(s) the Department plans to implement.

Include information on all open recommendations made one year or more ago that the Department / bureau plans to implement. GAO recommendations are open until officially closed by GAO.

The Bureau of Industry and Security (BIS) has nothing to report.

(c) Recommendations designated by GAO as “Closed-Unimplemented” for the past 5 years (2015-2019). Future reports will cover a one-year period.

The Bureau of Industry and Security (BIS) has nothing to report.

Section 3. Implementation of OIG public recommendations issued no less than one year for which Final Action has not been Taken or Action Not Recommended has been taken

Include information on all OIG recommendations that are still officially open. Commerce OIG recommendations are open until closed by the Department OIG Liaison.

The Bureau of Industry and Security (BIS) has nothing to report.

Section 4. Discrepancies between this report and the semiannual reports submitted by the Commerce Office of Inspector General or reports

The Bureau of Industry and Security (BIS) has nothing to report.

BUREAU OF INDUSTRY AND SECURITY (BIS)
ANNUAL PERFORMANCE PLAN/ REPORT BACKUP

Overview of Bureau Accomplishments

SO 2.3: In FY 2020, BIS conducted four industrial base surveys. This included a survey to aid in the Section 232 investigation on laminations for stacked cores for incorporation into transformers, stacked and wound cores for incorporation into transformers, electrical transformers, and transformer regulators; a survey to aid in the Section 232 investigation on imports of vanadium; a survey of the Air Force supply chain network; and a survey of the Information and Communications Technology (ICT) industry.

Also, in FY 2020, BIS provided data cuts and analysis based on previous BIS surveys. Below are examples of BIS targeted data cuts and analysis provided to various U.S. agencies:

- NSC/WH regarding supply chain data on the health and competitiveness of U.S. companies affiliated with the space economy;
- U.S. Navy regarding Navy programs and operations; and
- U.S. Department of Health and Human Services regarding foreign sourcing and dependencies in the U.S. healthcare sector and prospects for domestic-only sourcing of personal protective equipment, vaccines, and therapeutics.

SO 3.1: In FY 2020, BIS published several significant export control regulations to protect U.S. national security and support foreign policy objectives. Examples of such regulatory actions include the remaining transfer of items from the USML to the CCL: Control of Firearms, Guns, Ammunition and Related Articles, Expansion of Export, Reexport, and Transfer (in-Country) Controls for Military End Use or Military End Users in the People's Republic of China, Russia, or Venezuela, Elimination of License Exception Civil End Users (CIV), Modification of License Exception Additional Permissive Reexports (APR), Amendments to General Prohibition Three (Foreign-Produced Direct Product Rule) and the Entity List, and the addition of 167 entities to the Entity List.

SO 3.1: For FY 2020, using the codified authorities under the Export Control Reform Act (ECRA), BIS has levied more than \$1 million in criminal fines and forfeitures, \$32,905,760 in administrative penalties, and over 51 years in federal imprisonment. The ECRA provisions have allowed for successful wiretap and undercover operations to bring lawbreakers to justice.

Planned Actions for FY 2022

BIS is expanding export control mission activities associated with protecting sensitive American technology by increasing our efforts to identify sensitive items, including emerging and foundational technologies, to prevent the export and subsequent use of U.S. technologies contrary to U.S. national security and foreign policy objectives. It is imperative that BIS maintain, and increase, the technical skills to define and evaluate these technologies. Due to the rapid pace of technological advancement and globally integrated markets and supply chains, adversarial threats against the U.S. economy and national security are taking new forms. In parallel with these efforts, BIS is also increasing and enhancing its outreach to the academic and research community, with a specific focus on universities.

Enforcement efforts continuously encourage compliance, prevent and deter violators, disrupt illicit activities, and bring violators to justice. A critical part of enforcement is investigations that include forensic analysis for such things as trace evidence, forensic imaging and photographic analysis, and quality assurance. BIS is assessing how to keep pace with technology to properly assess various technology devices including smart phones, desktops computers, laptops, iPads, smart watches, etc.

The inability to quickly fill personnel vacancies and to onboard personnel will impact the progress of the SO's, as capacity to conduct/meet indicators will be reduced until new personnel are brought on board. This reduced capacity is anticipated to be further negatively impacted by COVID-19, particularly as it relates to being able to station personnel in overseas posts and field offices. COVID-19 may also continue to negatively impact the movement of personnel, and therefore the ability of personnel to conduct end-use checks and investigative actions.

Analysis of Performance Indicators

Overall, BIS continues to meet or exceed performance indicator targets. FY 2021 and FY 2022 targets are set based on the ability to meet the foreseeable shifts in export administration and enforcement, such as new and expanded authorities pursuant to the Export Control Reform Act (ECRA). Post COVID-19 impacts, BIS anticipates incremental increases in its targets related to national security activities and funding levels appropriate for success in meeting such increases.

BIS uses systems, work logs, and management reviews to track, verify, and assess performance across the Bureau. Currently, efforts are underway to improve and update internal systems which will allow for more efficient work processes and assessment of performance or effectiveness. BIS is committed to ensuring accuracy and reliability of the data used to measure progress toward achieving Department of Commerce Strategic Goals and Objectives. BIS performs two audits per year, and extra diligence is applied at year end to support year-end congressional reports.

Performance Indicators

Class	SO	Performance Indicator	FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2020 Target	FY 2021 Target	FY 2022 Target
Current / Recurring	2.3	Number of industrial base surveys, data, and analysis distributed to federal agencies and critical sector	2	3	3	3	7	2	2	2
Current / Recurring	3.1	Number of actions that result in a deterrence or prevention of a violation and cases that result in a criminal and/or administrative charge/action	1,717	1,832	1,777	1,802	1,667	1,500	1,600	1,600
Current / Recurring	3.1	Number of export transactions completed under the new authority of Commerce export licenses and license exceptions	144,888	137,281	164,385	157,287	150,083	150,000	150,000	150,000
Current / Recurring	3.1	Percent of licenses requiring interagency referral referred within nine days	92%	94%	93%	91%	92%	98%	98%	98%
Current / Recurring	3.1	Percent of attendees rating seminars highly	93%	94%	89%	96%	93%	93%	93%	93%
Current / Recurring	3.1	Median processing time for new regime regulations (months)	3	1	1	2	5.75	2	2	2
Current / Recurring	3.1	Percent of declarations received from U.S. industry in accordance with CWC time lines that are processed in time for the U.S. to meet treaty obligations.	100%	100%	100%	100%	95%	100%	100%	100%

Class	SO	Performance Indicator	FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2020 Target	FY 2021 Target	FY 2022 Target
Current / Recurring	3.1	Percent of electronic export information transactions reported in the Automated Export System in compliance with the Export Administration Regulations	99%	99%	99%	99%	99%	99%	99%	99%
Current / Recurring	3.1	Number of exporters educated and trained through outreach activities related to 500 and 600 Series Controls	46,633	28,000	27,997	24,000	60,511	25,000	25,000	25,000
Current / Recurring	2.3	Percent of licenses requiring Information Triage Unit report completed by Export Enforcement within ten Executive Order days of referral	93%	96%	88%	94%	93%	90%	90%	90%
Current / Recurring	3.1	Number of end-use checks completed	985	1,089	1,042	1,171	987	1,020	830	830