



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

## **Fiscal Year 2023**

### **President's Budget Request**

The information contained herein must not be disclosed outside the Agency until made public by the Agency or by the President.

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Department of Commerce  
 BUREAU OF INDUSTRY AND SECURITY  
 Budget Estimates, Fiscal Year 2023  
 President's Budget Request  
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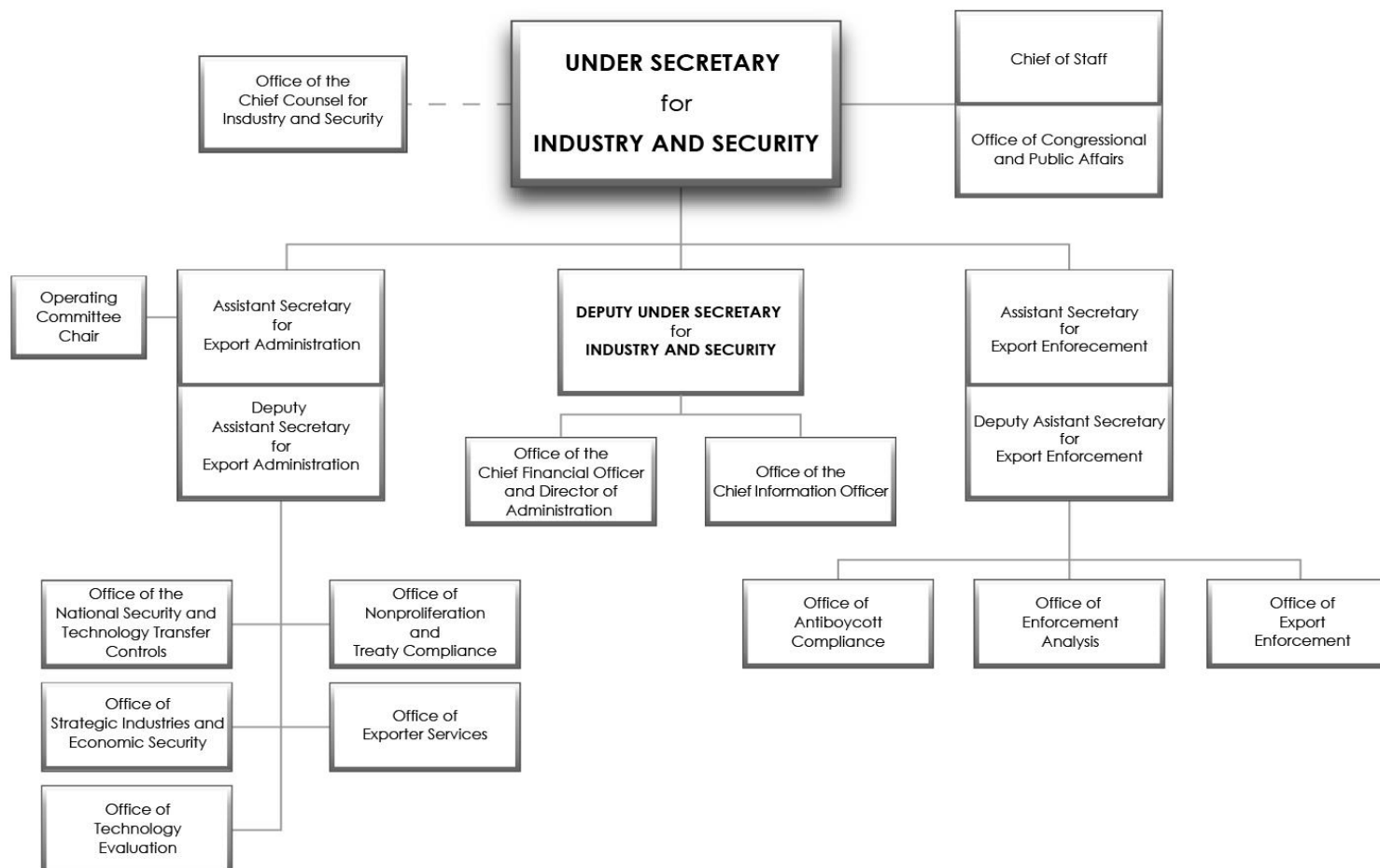
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## Organization Chart



# 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 Request to Congress, Fiscal Year 2023  
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. BIS 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 its policy and technical expertise, comprehensive outreach programs and its regulatory and enforcement authorities. BIS is strengthening efforts to address strategic national security threats including attempts by countries of national security concern, such as China and Russia, to obtain U.S. goods to improve military capabilities, advance weapons of mass destruction programs, enable human rights abuses, and assault national sovereignty as demonstrated by Russia's unprovoked further invasion of Ukraine. With the destabilizing escalation in the use of advanced technologies for abuses of human rights and assaults on national sovereignty, BIS will continue to play the lead role in the U.S. Government's initiative to strengthen export control policies and vigorously investigate violations to prevent and dismantle procurement networks facilitating these atrocities.

BIS requests an FY 2023 appropriation for discretionary spending of \$199.547 million and 593 positions to meet its mission goals of advancing U.S. national and economic security.

At this request level in FY 2023, BIS will continue to execute support for Presidential, and Secretarial export control policies and trade enforcement priorities. A great power competition has emerged to develop and deploy emerging and foundational technologies, such as artificial intelligence and quantum computing, that could reshape the economic and military balance between the United States - and our allies and partners - and U.S. adversaries. These rapid changes in technology, in addition to current geopolitical tensions, will shape every aspect of American lives and U.S. national security interests. However, the direction and consequences of the technological revolution remain unsettled.

Emerging and foundational technologies, not subject to laws or norms designed to promote rights and democratic values, foster cooperation, and establish guardrails against misuse or malign action, may enable adversaries to gain a technological advantage. BIS is focusing its efforts on implementing stringent export controls on foreign adversaries, enhancing the evaluation of critical technologies, and identifying vulnerabilities in U.S. supply chains to maintain U.S. technological superiority and advance national security. BIS efforts will support the nation's digital infrastructure, protect American jobs, support the protection of human rights, and punish those who threaten world order, democracy, and national sovereignty. To support these efforts, the BIS request includes \$7.339 million and 20 positions to secure the U.S. technology ecosystem, \$2.661 million and 7 positions to enhance licensing assessments and compliance, \$1.870 million and 4 positions to expand partnerships with close allies necessary to secure American supply chains, \$3.944 million to expand capability related to Defense Production Act (DPA) industrial

assessments, \$36.187 million and 114 positions to secure the national information and communication technology and services (ICTS) supply chain, and \$1.75 million to modernize the Bureau's online presence and comply with the Federal Information Technology Acquisition Reform Act (FITARA) and 21<sup>st</sup> Century Integrated Digital Experience Act (IDEA).

BIS has recently undertaken several important regulatory actions in response to geopolitical tensions and Administration priorities, including a series of actions in response to Russia's further invasion of Ukraine. In FY 2023, BIS will continue to evaluate and redefine how these actions and other BIS current export control policies will be applied, including opportunities to facilitate enforcement outcomes. These regulatory actions include:

- ❖ Implementing sanctions against countries that threaten world order, democracy, and national security
- ❖ Advancing American supply chain resilience
- ❖ Revising controls to better ensure U.S.-origin items are not used to enable human rights abuses
- ❖ Expanding controls to prevent foreign weapons of mass destruction programs and military-intelligence services from benefitting from the expertise or services of U.S. persons
- ❖ Implementing multilateral controls on additional cyber surveillance tools
- ❖ Publishing additional controls on emerging and foundational technologies
- ❖ Continuing to add parties to the Entity List, Military End-User List, and Unverified List to address national security and foreign policy concerns, and support compliance and enforcement actions
- ❖ Updating controls to capture chokepoint technologies in key sectors.

#### **Performance:**

For current Government Performance and Results Act (GPRA) targets please see the FY 2023 Annual Performance Plan & 2021 Annual Performance Report.

#### **Adjustments:**

##### *Inflationary Adjustments for 2023*

The BIS FY 2023 Base Budget includes a total of \$13.637 million to account for the full funding requirement for inflationary adjustments to current programs for its activities. This includes the estimated CY 2022 civilian pay raise of 2.7% and CY 2023 civilian pay raise of 4.6% 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 2021 Actual	FY 2022 CR Annualized	FY 2023 Estimate
054 Defense Related Activities:	\$75.121	\$75.121	\$96.089
376 Other Advancement of Commerce:	\$57.879	\$57.879	\$103.458
<b>Total:</b>	<b>\$133.000</b>	<b>\$133.000</b>	<b>\$199.547</b>

**Department of Commerce  
Bureau of Industry and Security  
Operations and Administration  
Functional Classification 054 Defense Related Activities**

	FY 2021 Actual	FY 2022 CR Annualized	FY 2023 Estimate
Export Administration	\$28.912	\$28.912	\$37.568
Export Enforcement	\$46.209	\$46.209	\$58.521
<b>Total BIS 054 Funding</b>	<b>\$75.121</b>	<b>\$75.121</b>	<b>\$96.089</b>

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 2021 054 allocation for the Bureau of Industry and Security was \$75.121 million and is estimated to be consistent in FY 2022, assuming annualization of the FY 2022 CR. The FY 2023 estimate of the 054 allocation is \$96.089 million, an increase of \$20.968 million.

Justification for changes:

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 areas 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 areas of nuclear, missile, chemical and biological controls, and multilateral export controls under the Wassenaar Arrangement, which was established to prevent unauthorized transfers of 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 Chemical Weapons Convention (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**

(\$ millions)

1	Overseas Enforcement.....	\$5.892
2	Export Enforcement.....	\$52.629
3	National Security and Technology Transfer Control.....	\$7.918
4	Chemical Weapons Convention.....	\$3.841
5	Technology Evaluation.....	\$14.719
6	Nonproliferation and Treaty Compliance.....	\$5.772
7	Non-CFIUS portion of Strategic Industries and Economic Security.....	\$5.318

**BIS 054 total for FY 2023****\$96.089**

*\*The numbers above reflect only the 054 Defense-related activities portion of BIS budget authority. The FY 2023 President's Budget requests a total BIS budget authority of \$199.547 million.*

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

**Increases**

Page No.	Appropriation	Budget Program	Title of Increase	Positions	Budget Authority
BIS-24	Operations and Administration	Management Policy and Coordination	National Information and Communications Technology and Services (ICTS) Supply Chain Security	114	36,187
BIS-79	Operations and Administration	Export Enforcement	Securing the U.S. Technology Ecosystem	20	7,339
BIS-40	Operations and Administration	Export Administration	Defense Production Act (DPA) Industrial Studies	0	3,944
BIS-48	Operations and Administration	Export Administration	Enhancing Licensing Assessment and Compliance	7	2,661
BIS-65	Operations and Administration	Export Enforcement	Expanding Partnerships with Close Allies to Secure American Supply Chains	4	1,870
BIS-71	Operations and Administration	Export Enforcement	BIS Website Redesign	0	871
BIS-44	Operations and Administration	Export Administration	BIS Website Redesign	0	818
BIS-20	Operations and Administration	Management Policy and Coordination	BIS Website Redesign	0	61
<b>Subtotal, Increases</b>				<b>145</b>	<b>53,751</b>

**Decreases**

Page No.	Appropriation	Budget Program	Title of Decrease	Positions	Budget Authority
BIS-75	Operations and Administration	Export Enforcement	ECO Realignment	0	(841)

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**Subtotal, Decreases**
**0 (841)**

**Terminations**

Page No.	Appropriation	Budget Program	Title of Terminations	Pos.	Budget Authority
No Program Terminations					

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 Subtotal, Terminations

**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
Appropriation Available, 2022	448	448	133,000	139,567
Less: Estimated Recoveries, 2022				(5,000)
Less: Unobligated balance, start of year, 2022				(1,567)
Plus: Unobligated balance, end of year, 2022				0
2023 Adjustments to Base				
Plus: Inflationary adjustments to base	0	0	13,637	13,637
2023 Base	448	448	146,637	146,637
Plus: 2023 Program changes	145	108	52,910	52,910
<b>2023 Estimate</b>	<b>593</b>	<b>556</b>	<b>199,547</b>	<b>199,547</b>

Comparison by activity/subactivity with totals by activity			FY 2021 Actual		FY 2022 CR Annualized		FY 2023 Base		FY 2023 Estimate		Increase/Decrease from FY 2023 Base	
			Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount
BIS-16	Management and	Pos./BA	12	4,208	16	4,208	16	4,664	130	40,912	114	36,248
	Policy Coordination	FTE/Obl.	9	3,733	16	4,473	16	4,664	102	40,912	86	36,248
BIS-30	Export	Pos./BA	185	59,775	209	59,775	209	65,994	216	73,417	7	7,423
	Administration	FTE/Obl.	172	61,222	209	61,424	209	65,994	214	73,417	5	7,423
BIS-54	Export	Pos./BA	197	69,017	223	69,017	223	75,979	247	85,218	24	9,239
	Enforcement	FTE/Obl.	185	78,270	223	73,670	223	75,979	240	85,218	17	9,239
	<b>Total</b>	<b>Pos./BA</b>	<b>394</b>	<b>133,000</b>	<b>448</b>	<b>133,000</b>	<b>448</b>	<b>146,637</b>	<b>593</b>	<b>199,547</b>	<b>145</b>	<b>52,910</b>
		<b>FTE/Obl.</b>	<b>366</b>	<b>143,225</b>	<b>448</b>	<b>139,567</b>	<b>448</b>	<b>146,637</b>	<b>556</b>	<b>199,547</b>	<b>108</b>	<b>52,910</b>

Adjustments for:

Recoveries	(9,180)	(5,000)
Unobligated balance, start of year	(2,612)	(1,567)
Unobligated balance transferred		
Unobligated balance, end of year	1,567	
Unobligated balance expiring		

Financing from transfers:

Transfer from other accounts (-)	
Transfer to other accounts (+)	

<b>Appropriation</b>	<b>133,000</b>	<b>133,000</b>	<b>146,637</b>	<b>199,547</b>	<b>52,910</b>
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**Department of Commerce**  
**BUREAU OF INDUSTRY AND SECURITY**  
**Operations and Administration**  
**Summary of Reimbursable Obligations**  
(Dollar amounts in thousands)

Comparison by activity:		FY 2021		FY 2022		FY 2023		FY 2023		Increase/Decrease	
		Actual		CR Annualized		Base		Estimate		from FY 2023 Base	
		FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
Management and	Pos./BA	0	2	0	2	0	2	0	2	0	0
Policy Coordination	FTE/Obl.	0	1	0	1	0	2	0	2	0	0
Export	Pos./BA	2	3,531	5	3,207	5	3,258	5	3,258	0	0
Administration	FTE/Obl.	2	2,520	5	4,324	5	3,258	5	3,258	0	0
Export	Pos./BA	0	132	0	120	0	122	0	122	0	0
Enforcement	FTE/Obl.	0	94	0	124	0	122	0	122	0	0
<b>Total</b>	<b>Pos./BA</b>	<b>2</b>	<b>3,665</b>	<b>5</b>	<b>3,329</b>	<b>5</b>	<b>3,382</b>	<b>5</b>	<b>3,382</b>	<b>0</b>	<b>0</b>
	<b>FTE/Obl.</b>	<b>2</b>	<b>2,615</b>	<b>5</b>	<b>4,449</b>	<b>5</b>	<b>3,382</b>	<b>5</b>	<b>3,382</b>	<b>0</b>	<b>0</b>
Adjustments to Obligations											
Recoveries			(270)								
Unobligated balance, start of year			(2,367)		(3,687)		(2,567)		(2,567)	0	0
Unobligated balance, rescission											
Unobligated balance, end of year			3,687		2,567		2,567		2,567	0	0
Unobligated balance expiring											
<b>Reimbursable Authority</b>			<b>3,665</b>		<b>3,329</b>		<b>3,382</b>		<b>3,382</b>	<b>0</b>	<b>0</b>

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

	FY 2021 Actual	FY 2022 CR Annualized	FY 2023 Base	FY 2023 Estimate	Increase/Decrease from FY 2023 Base
Total Obligations	145,840	144,016	150,019	202,929	52,910
Offsetting collections from:					
Federal funds	(2,465)	(2,129)	(2,182)	(2,182)	0
Trust funds	(1,200)	(1,200)	(1,200)	(1,200)	0
Non-Federal sources	0	0	0	0	0
Recoveries	(9,450)	(5,000)	0	0	0
Unobligated balance, start of year	(4,979)	(5,254)	(2,567)	(2,567)	0
Unobligated balance transferred					
Unobligated balance, end of year	5,254	2,567	2,567	2,567	0
Unobligated balance expiring					
<b>Budget Authority</b>	<b>133,000</b>	<b>133,000</b>	<b>146,637</b>	<b>199,547</b>	<b>52,910</b>
Financing:					
Transfer from other accounts (-)	0	0	0	0	0
Transfer to other accounts (+)	0	0	0	0	0
<b>Appropriation</b>	<b>133,000</b>	<b>133,000</b>	<b>146,637</b>	<b>199,547</b>	<b>52,910</b>

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

	<b>Positions</b>	<b>Amount</b>
<b>Adjustments:</b>		
FY 2022 CJ Adjustments to Base	0	0
Financing		0
<b>Other Changes:</b>		
2022 Pay raise		2,476
2023 Pay raise		3,109
Increase in Awards		0
Full-year cost in 2023 of positions financed for part-year in 2022		0
Change in compensable days		(348)
Civil Service Retirement System (CSRS)		(63)
Federal Employees Retirement System (FERS)		929
Thrift Savings Plan		1,205
Federal Insurance Contribution Act (FICA) – OASDI		250
Health Insurance		278
Federal Employees' Compensation Act		(18)
Travel:		
Mileage		0
Per Diem		18
Rental payments to GSA		1,035
GSA Furniture and IT Program (FIT)		540
Working Capital Fund, Departmental Management		2,809
National Archives and Records Administration (NARA)		5
General Pricing Level Adjustment:		
Transportation of things		8
Communications, utilities, and miscellaneous charges		135
Printing and reproduction		0
Other Services		295
Export Control Officers (ECO) Operations		188
Supplies and materials		79
Equipment		104
Continuous Diagnostics and Mitigation (CDM)		20

Telecommunication Services - Enterprise Infrastructure	7
Enterprise Services	296
Federal Protective Services	100
International Cooperative Administrative Support Services (ICASS)	125
Capital Security Cost Sharing Program (CSCSP/MCSP)	54
<b>Subtotal, other changes</b>	<b>13,637</b>
<b>Total, adjustments to base</b>	<b>0</b>

**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 2021		FY 2022		FY 2023		FY 2023		Increase/Decrease	
		Actual		CR Annualized		Base		Estimate		from FY 2023 Base	
		Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount
Management and Policy Coordination	Pos./BA	12	4,208	16	4,208	16	4,664	130	40,912	114	36,248
	FTE/Obl	9	3,733	16	4,473	16	4,664	102	40,912	86	36,248
<b>Total</b>	<b>Pos./BA</b>	<b>12</b>	<b>4,208</b>	<b>16</b>	<b>4,208</b>	<b>16</b>	<b>4,664</b>	<b>130</b>	<b>40,912</b>	<b>114</b>	<b>36,248</b>
	<b>FTE/Obl</b>	<b>9</b>	<b>3,733</b>	<b>16</b>	<b>4,473</b>	<b>16</b>	<b>4,664</b>	<b>102</b>	<b>40,912</b>	<b>86</b>	<b>36,248</b>

**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 2021		FY 2022		FY 2023		FY 2023		Increase/Decrease	
		Actual		CR Annualized		Base		Estimate		from FY 2023 Base	
		Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount
Management and Policy Coordination	Pos./BA	0	2	0	2	0	2	0	2	0	0
	FTE/Obl.	0	1	0	1	0	2	0	2	0	0
<b>Total</b>	<b>Pos./BA</b>	<b>0</b>	<b>2</b>	<b>0</b>	<b>2</b>	<b>0</b>	<b>2</b>	<b>0</b>	<b>2</b>	<b>0</b>	<b>0</b>
	<b>FTE/Obl.</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>2</b>	<b>0</b>	<b>2</b>	<b>0</b>	<b>0</b>

**Department of Commerce  
BUREAU OF INDUSTRY AND SECURITY  
Operations and Administration  
Justification of Program and Performance, Management Policy and 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**

<b>Line Item</b>		2021 Actual		2022 CR Annualized		2023 Base	
		Personnel	Amount	Personnel	Amount	Personnel	Amount
Management and	Pos./BA	12	4,208	16	4,208	16	4,664
Policy Coordination	FTE/Obl.	9	3,733	16	4,473	16	4,664

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 Office of 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 Change for FY 2023, BIS Website Redesign**  
(Dollar amounts in thousands)

		FY 2023		FY 2023		Increase/Decrease	
		Base		Estimate		from FY 2023 Base	
		Personnel	Amount	Personnel	Amount	Personnel	Amount
Management Policy and Coordination	Pos./BA	16	4,664	16	4,725	0	61
	FTE/Obl.	16	4,664	16	4,725	0	61

**BIS Website Redesign (+\$61, 0 FTE/Positions)** - This funding increase of \$61,250 will ensure BIS compliance with the Federal Information Technology Acquisition Reform Act (FITARA) and 21st Century Integrated Digital Experience Act (IDEA). BIS is requesting funding to upgrade its web-presence on the Internet, as the current state of the BIS website is built using Joomla, an unsupported legacy platform.

BIS' website has grown to 1.8 million site visits yearly, and will likely continue to grow over the years ahead given the greater recognition and public awareness of BIS activities. This metric indicates a continued strong desire from key stakeholders for relevant trade information and regulatory policy rules from the Bureau. When the website launched in the 2012-2013 time frame the annual visitors to the site was around 300,000, and by 2016 it was around 1.2 million annually. Recently, however, the Bureau has seen an uptick in visitor traffic due to increased interest regarding BIS endeavors. This proposal expands BIS's capability in meeting key stakeholder demand for information. An updated and modernized digital web presence is key to convey accurate information in an ongoing presence.

Upgrading the BIS website will allow the Bureau to have an enhanced 24/7 digital means of engagement with the public that helps inform and share relevant content and information regarding activities of interest. Moreover, the website will help enable a more pro-active customer experience perspective and support efficacy of our mission endeavors.

This is a priority for BIS and the Department, given the increased need for digital content and purveyance of information from a 24/7 perspective. This digital product essentially becomes a first stop "ambassador of information" for BIS wherein stakeholders can have many of the questions answered by the logical flow of content and resources shared on our site for consideration.

Performance

Measures:	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
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With program change:	Capacity to support projected 2 million annual site visits and will be in compliance with FITARA and IDEA.	Capacity to support projected 2 million annual site visits and will be in compliance with FITARA and IDEA.	Capacity to support projected 2 million annual site visits and will be in compliance with FITARA and IDEA.	Capacity to support projected 2 million annual site visits and will be in compliance with FITARA and IDEA.	Capacity to support projected 2 million annual site visits and will be in compliance with FITARA and IDEA.
Without program change:	Inability to support the projected 2 million annual site visits and will not be in compliance with FITARA and IDEA.	Inability to support the projected 2 million annual site visits and will not be in compliance with FITARA and IDEA.	Inability to support the projected 2 million annual site visits and will not be in compliance with FITARA and IDEA.	Inability to support the projected 2 million annual site visits and will not be in compliance with FITARA and IDEA.	Inability to support the projected 2 million annual site visits and will not be in compliance with FITARA and IDEA.
Outyear Cost:					
Direct					
Obligations:					
Uncapitalized	61	62	63	65	66
Budget Authority:					
Outlays	49	58	62	63	64
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, BIS Website Redesign**  
(Dollar amounts in thousands)

Activity: Management and Policy Coordination

<b>Object Class</b>		<b>FY 2021 Actual</b>	<b>FY 2022 CR Annualized</b>	<b>FY 2023 Base</b>	<b>FY 2023 Estimate</b>	<b>Increase/Decrease from FY 2023 Base</b>
11.1	Full-time permanent compensation	1,464	2,238	2,422	2,422	0
11.3	Other than full-time permanent	0	0	0	0	0
11.5	Other personnel compensation	18	58	58	58	0
11.8	Special personal services payments	0	0	0	0	0
11.9	<b>Total personnel compensation</b>	<b>1,482</b>	<b>2,296</b>	<b>2,480</b>	<b>2,480</b>	<b>0</b>
12.1	Civilian personnel benefits	420	636	725	725	0
13	Benefits for former personnel	4	0	0	0	0
21	Travel and transportation of persons	0	9	9	9	0
22	Transportation of things	1	0	0	0	0
23	Rent, communications, and utilities					
23.1	Rental payments to GSA	235	148	184	184	0
23.2	Rental payments to others	0	0	0	0	0
23.3	Communications, utilities, and misc. charges	85	70	81	81	0
24	Printing and reproduction	3	2	2	2	0
25	Other contractual services					
25.1	Advisory and assistance services	23	0	0	0	0
25.2	Other services from non-federal sources	217	381	381	442	61
25.3	Other goods and services from federal sources	1107	797	661	661	0
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	69	64	66	66	0
31	Equipment	87	70	74	74	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	<b>Total obligations</b>	<b>3,733</b>	<b>4,473</b>	<b>4,664</b>	<b>4,725</b>	<b>61</b>

**Department of Commerce**  
**BUREAU OF INDUSTRY AND SECURITY**  
**Operations and Administration**  
**Program Change for FY 2023, ICTS**  
(Dollar amounts in thousands)

		FY 2023 Base		FY 2023 Estimate		Increase/Decrease from 2023 Base	
		Personnel	Amount	Personnel	Amount	Personnel	Amount
Management and Policy	Pos/BA	16	4,664	130	40,851	114	36,187
Coordination	FTE/Obl.	16	4,664	102	40,851	86	36,187

**National Information and Communications Technology and Services (ICTS) Supply Chain Security (+\$36,187, 86 FTE/ 114 Positions)**

- This increase of \$36,187,000 will provide a more comprehensive reach to address critical staffing capability gaps required for the BIS to evaluate and address national security risks posed by ICTS transactions and to intake and adjudicate licenses, provide a credible enforcement and penalty capability, allow for dedicated legal support for transaction reviews, licenses, and enforcement actions, and correlate complex technical analysis and interpret all-source intelligence (to include cybersecurity threat concerns). The increase will also allow the BIS to have a robust organization to review ICTS transactions and adjudicate licenses required under Executive Order (E.O.) 13873 and Title 15 of the Code of Federal Regulations. Ultimately, the goal and mission of the ICTS program is to advance the United States' national and economic security interests by deterring and mitigating foreign malicious cyber-enabled activities, while providing law enforcement more certainty in their ability to track and identify foreign malicious cyber actors throughout an investigation.

The National ICTS Supply Chain Security program will be used to review and address ICTS transactions that pose an undue or unacceptable risk in the United States, which involves vetting and prioritizing referrals, compiling intelligence, and conducting investigations into transactions, performing risk-based analysis, and recommending mitigation measures or prohibitions to the Secretary of Commerce. Additionally, the program will be required to establish or support existing analysis and compliance organizations that can interface with relevant Federal agencies, including the Intelligence Community and contract with and utilize relevant vendors.

The Infrastructure as Service (IaaS) compliance and enforcement program will handle required BIS actions of the Know-Your-Customer regulations stemming from E.O. 13984 and will enable the BIS to ensure U.S. IaaS providers are implementing the relevant rules, as well as assisting the Secretary in any exemption determinations that may be made pertaining to IaaS providers. The program will be required to establish or support an existing analysis and industry liaison organization that can interface with the intelligence, law enforcement, and industry, contract with and utilize relevant vendors, and appropriately evaluate intelligence or law enforcement reports on cyber threats that may necessitate the Secretary imposing conditions or restrictions on U.S. IaaS providers' ability to contract with certain foreign countries, parties, or persons. Activities are aligned to meet the federal policy requirements of E.O. 13873, *Securing the Information and Communications Technology and Services Supply Chain* and E.O. 13984, *Taking Additional Steps to Address the National Emergency with Respect to Significant Malicious Cyber-Enabled Activities*.

Performance Measures:	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
Without requested program change	BIS will maintain current ICTS program, with limited implementation of E.O. 13873.	BIS will maintain current ICTS program, with limited implementation of E.O. 13873.	BIS will maintain current ICTS program, with limited implementation of E.O. 13873.	BIS will maintain current ICTS program, with limited implementation of E.O. 13873.	BIS will maintain current ICTS program, with limited implementation of E.O. 13873.
With requested program change	BIS will fully implement and sustain ICTS activities required in E.O. 13873 and E.O. 13984.	BIS will fully implement and sustain ICTS activities required in E.O. 13873 and E.O. 13984.	BIS will fully implement and sustain ICTS activities required in E.O. 13873 and E.O. 13984.	BIS will fully implement and sustain ICTS activities required in E.O. 13873 and E.O. 13984.	BIS will fully implement and sustain ICTS activities required in E.O. 13873 and E.O. 13984.
Direct Obligations	36,187	36,911	37,649	38,402	39,170
Uncapitalized					
Budget Authority					
Outlays	28,950	34,378	36,766	37,465	38,214
FTE	86	86	86	86	86
Positions	114	114	114	114	114

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

Activity: Management Policy & Coordination  
Program Change: National Information and Communications  
Technology and Services (ICTS) Supply Chain Security

Full-time permanent

Title	Grade	Number	Annual Salary	Total Salaries
Executive Director	SES	1	199,300	199,300
Office of Chief Counsel Deputy Chief Counsel	15	1	168,282	168,282
Counsel	15	6	168,282	1,009,692
Counsel	14	3	143,064	429,192
Counsel	13	1	121,065	121,065
Congressional and Public Affairs	14	1	143,064	143,064
Supervisory Intelligence Research Analyst	15	2	168,282	336,564
Intelligence Research Analyst	14	7	143,064	1,001,448
Intelligence Research Analyst (Investigations/Preclearance)	13	6	121,065	726,390
Intelligence Research Analyst (Investigations/Preclearance)	12	20	101,813	2,036,260
Intelligence Research Analyst (Investigations/Preclearance)	11	20	84,941	1,698,820
Supervisor Policy Analyst	15	1	168,282	168,282
Policy Analyst	14	1	143,064	143,064
Policy Analyst	13	8	121,065	968,520
Policy Analyst	12	7	101,813	712,691
Supervisory Compliance Specialist	15	1	168,282	168,282
Export Compliance Analyst	13	1	121,065	121,065
Export Compliance Specialist	12	2	101,813	203,626
Data Scientists	14	2	143,064	286,128
Supervisory Professional Engineer	14	1	143,064	143,064
Professional Engineer	13	4	121,065	484,260
Investigative Analyst	14	2	143,064	286,128
Criminal Investigator	14	3	143,064	429,192
EA Licensing Officer/Analyst	14	1	143,064	143,064
EA Licensing Officer/Analyst	13	1	121,065	121,065

Program Manager	15	1	168,282	168,282
Case Managers	14	2	143,064	286,128
Policy Specialist	14	1	143,064	143,064
Analysts	12	2	101,813	203,626
IT Specialist	13	2	151,331	302,663
Budget Analyst	13	1	121,065	121,065
Administrative Officer	12	1	101,813	101,813
Program Coordinator	11	1	84,941	84,941
Total		114		13,660,090
Plus: Special Agents Availability Pay	25%			107,298
Less lapse	-25%	(28)		(3,441,847)
Total full-time permanent (FTE)		86		10,325,541
2023 Pay Adjustment (4.6%)	4.6%			474,975
Total				\$10,800,515

**Personnel Data Summary**

## Full-time Equivalent Employment (FTE)

Full-time permanent	86
Part-time permanent	0
Full-time temporary	0
Part-time temporary	0
Total FTE	86

**Authorized Positions**

Full-time permanent	114
Other than full-time permanent	0
Full-time temporary	0
Part-time temporary	0
Total Positions	114

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

Activity: Management & Policy Coordination

<b>Object Class</b>		FY 2021 Actual	FY 2022 CR Annualized	FY 2023 Base	FY 2023 Estimate	Increase/Decrease from FY 2023 Base
11.1	Full-time permanent compensation	1,464	2,238	2,422	13,176	10,754
11.3	Other than full-time permanent	0	0	0	0	0
11.5	Other personnel compensation	18	58	58	105	47
11.8	Special personal services payments	0	0	0	0	0
11.9	<b>Total personnel compensation</b>	<b>1,482</b>	<b>2,296</b>	<b>2,480</b>	<b>13,281</b>	<b>10,801</b>
12.1	Civilian personnel benefits	420	636	725	4,938	4,213
13	Benefits for former personnel	4	0	0	0	0
21	Travel and transportation of persons	0	9	9	459	450
22	Transportation of things	1	0	0	3	3
23	Rent, communications, and utilities					
23.1	Rental payments to GSA	235	148	184	6,452	6,268
23.2	Rental payments to others	0	0	0	0	0
23.3	Communications, utilities, and misc. charges	85	70	81	879	798
24	Printing and reproduction	3	2	2	913	911
25	Other contractual services					
25.1	Advisory and assistance services	23	0	0	0	0
25.2	Other services from non-federal sources	217	381	381	8,706	8,325
25.3	Other goods and services from federal sources	1,107	797	661	4,148	3,487
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	69	64	66	362	296
31	Equipment	87	70	74	709	635
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	<b>Total obligations</b>	<b>3,733</b>	<b>4,473</b>	<b>4,664</b>	<b>40,851</b>	<b>36,187</b>

**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 2021 Actual		FY 2022 CR Annualized		FY 2023 Base		FY 2023 Estimate		Increase/Decrease from FY 2023 Base	
		Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount
Export	Pos./BA	185	59,775	209	59,775	209	65,994	216	73,417	7	7,423
Administration	FTE/Obl	172	61,222	209	61,424	209	65,994	214	73,417	5	7,423
<b>Total</b>	<b>Pos./BA</b>	<b>185</b>	<b>59,775</b>	<b>209</b>	<b>59,775</b>	<b>209</b>	<b>65,994</b>	<b>216</b>	<b>73,417</b>	<b>7</b>	<b>7,423</b>
	<b>FTE/Obl</b>	<b>172</b>	<b>61,222</b>	<b>209</b>	<b>61,424</b>	<b>209</b>	<b>65,994</b>	<b>214</b>	<b>73,417</b>	<b>5</b>	<b>7,423</b>

**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 2021		FY 2022		FY 2023		FY 2023		Increase/Decrease	
		Actual		CR Annualized		Base		Estimate		from FY 2023 Base	
		Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount
Export Administration	Pos./BA	2	3,531	5	3,207	5	3,258	5	3,258	0	0
	FTE/Obl.	2	2,520	5	4,324	5	3,258	5	3,258	0	0
<b>Total</b>		<b>2</b>	<b>3,531</b>	<b>5</b>	<b>3,207</b>	<b>5</b>	<b>3,258</b>	<b>5</b>	<b>3,258</b>	<b>0</b>	<b>0</b>
	<b>FTE/Obl.</b>	<b>2</b>	<b>2,520</b>	<b>5</b>	<b>4,324</b>	<b>5</b>	<b>3,258</b>	<b>5</b>	<b>3,258</b>	<b>0</b>	<b>0</b>

**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 2021, under BIS authorization, U.S. companies exported \$7.4 billion of licensed items. Exports made under a BIS license exception authorization totaled \$15.2 billion. These exports help sustain U.S. production facilities, ensure adequate workforce employment, and support overall U.S. economic growth.

**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 domestic and international 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 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 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 other Federal agencies and 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		2021 Actual		2022 CR Annualized		2023 Base	
		Personnel	Amount	Personnel	Amount	Personnel	Amount
Export	Pos./BA	185	59,775	209	59,775	209	65,994
Administration	FTE/Obl.	172	61,222	209	61,424	209	65,994

EA will continue in FY 2023 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 2023 budget provides \$5.7 million in support of Section 232 processing by BIS, which includes \$4.55 million for contractor support and four (4) export administration positions that support Section 232 activities. The budget also includes, \$2.4 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>.

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 U.S. national security for import 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 to Date**

#### **Sanctions on Russia in Support of Ukraine**

On February 24, 2022, in response to Russia's further invasion of Ukraine, the Department of Commerce added new Russia license requirements and licensing policies to the EAR to protect U.S. national security and foreign policy interests. These new Russia measures: impose new Commerce Control List (CCL)-based license requirements for Russia; add two new foreign direct product rules (FDP rules) specific to Russia and Russian 'military end users;' specify a license review policy of denial applicable to all of the license requirements being added in this rule, with certain limited exceptions; significantly restrict the use of EAR license exceptions; expand the existing Russia 'military end use' and 'military end user' control scope to all items "subject to the EAR" other than food and medicine designated EAR99, or Export Control Classification Numbers 5A992.c and 5D992.c unless for Russian "government end users" and Russian state-owned enterprises (SoEs); transfer forty-five Russian entities from the Military End-User (MEU) List to the Entity List with an expanded license requirement of all items subject to the EAR (including foreign-produced items subject to the Russia-MEU FDP rules); and add two new Russia entities and revise two Russia entities to the Entity List. Lastly, this rule imposes comprehensive export, reexport and transfer (in-country) restrictions for the so-called Donetsk People's Republic (DNR) and Luhansk People's Republic (LNR) regions of Ukraine ("Covered Regions of Ukraine") and makes conforming revisions to export, reexport transfer (in-country) restrictions for Crimea Region of Ukraine provisions. BIS followed up this rule with four more rules in just one week - imposing the same requirements on Belarus, expanding sanctions to the oil sector, adding 91

more entities in Russia to the Entity List, and adding South Korea to the list of allied and partner countries excluded from portions of these new requirements.

### **Short-Circuiting Chinese Military-Civilian Fusion Efforts and Human Rights Abuses**

China's efforts to divert civilian technologies to military applications and its campaign of human rights abuses in the Xinjiang Uyghur Autonomous Region are ongoing threats to U.S. national security and foreign policy objectives. In 2021, BIS took multiple actions to address the China's activities by imposing comprehensive restrictions on exports, reexports and in-country transfers to entities involved in China's supercomputing and quantum computing efforts, as well as additional parties supporting forced labor and other forms of repression against Muslim minority groups in Xinjiang. In 2021, BIS also led Commerce's contributions to the updated Xinjiang Supply Chain Business Advisory, an effort across multiple agencies to highlight the heightened risks for businesses with supply chain and investment links to Xinjiang.

### **Swift Action to Support Burma's Democracy**

On February 1, 2021, the Burmese military perpetrated a coup against the democratically elected government of Burma. Acting at President Biden's direction, BIS responded quickly to counteract this anti-democratic action by restricting exports of technology and software, including encryption technologies, aircraft, vessels, and spacecraft and related equipment, and other sensitive items to Burma's Ministry of Defense, Ministry of Home Affairs, armed forces, and security services.

### **Advancing American Supply Chain Resiliency**

In May 2021, BIS completed the 100-day report on vulnerabilities in the semiconductor supply chain pursuant to President Biden's Executive Order 14017. The report identified the vulnerabilities in the U.S. semiconductor supply chain and recommended actions to address those vulnerabilities.

### **Addition of the 'Military End User' (MEU) List to the EAR**

On December 23, 2020, BIS published a final rule amending the EAR by adding a new 'Military End User' (MEU) List, including the first tranche of entities. The U.S. Government determined that the entities on the MEU List 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 China, Russia, and Venezuela when such items are destined for a 'military end user.' The '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, that existed prior to the publication of this rule 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 added one hundred and three 'military end users' to the MEU List consisting of fifty-eight under China and forty-five under Russia. The rule contained language clarifying that BIS' 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.

## Section 232 Investigations and Product Exclusion Process

As of February 27, 2022, BIS issued determinations on approximately 385,000 requests submitted by U.S. parties for exclusion from Section 232 tariffs and quotas on steel and aluminum products. In FY 2021, BIS processed approximately 110,000 Exclusion Requests submitted by domestic importers of steel and aluminum products impacted by duties under Section 232. The Department reviewed all Exclusion Requests and associated Objections, Rebuttals, and Surrebuttals on a case-by-case basis, considering only information that was submitted on the public record by the parties to the 232 Exclusions Portal. In FY 2021, Exclusion Requests with no Objections received a final decision within roughly forty-five calendar days on average, while Exclusion Requests with Objections received a final decision within roughly ninety-six calendar days on average.

In October 2021, negotiations on Section 232 trade remedies successfully concluded with the European Union. The United States transitioned to a tariff-rate quota on imports of steel and aluminum products from the European Union on January 1, 2022. The European Union in turn removed its retaliatory tariffs imposed on key exports from the United States that were set to double on December 1, 2021. This agreement successfully preserves the national security objectives of Section 232 and opens the door to further work on a cooperative framework with our allies and partners to counteract the mutual challenges posed by global overproduction of steel and aluminum, particularly by China.

In February 2022, the United States also successfully concluded negotiations on Section 232 trade remedies with Japan. The United States will transition to a tariff-rate quota on imports of steel products from Japan starting April 1, 2022. In January 2022, discussion was initiated between the United States and the United Kingdom on Section 232 trade remedies and are currently ongoing.

In FY 2021, BIS completed two Section 232 investigations and self-initiated a third investigation:

1. On May 11, 2020, BIS commenced a Section 232 investigation on the effect of imports of laminations for stacked cores for incorporation into transformers, stacked and wound cores for incorporation into transformers, electrical transformers, and transformer regulators on U.S. national security. The report was delivered to the President on October 14, 2020. The report concluded that transformer components, especially cores and laminations, were being imported into the United States in such quantities and under such circumstances as to threaten to impair U.S. national security. The President did not take any action by January 14, 2021, the 90 days statutory deadline.
2. On May 28, 2020, BIS commenced a Section 232 investigation on the effect of imports of vanadium on U.S. national security in response to an application filed by U.S. vanadium producers AMG Vanadium LLC and U.S. Vanadium LLC. The report was submitted to the President on February 22, 2021. The report concluded that the present quantities and circumstance of vanadium imports do not threaten to impair the national security as defined in Section 232. The report noted that although vanadium is critical to national security and the United States is dependent on imported sources of vanadium, several significant factors, including the health of the U.S. industry, the availability of idle domestic resources, ongoing U.S. Government actions, and the importance of vanadium to maintaining competitive steel and titanium industries, indicate that imports of vanadium do not threaten to impair national security.

3. On September 21, 2021, BIS commenced a Section 232 investigation into the effects of imports of Neodymium-iron-boron (NdFeB) permanent magnets on the national security. Critical national security systems rely on NdFeB permanent magnets and they are essential components of critical infrastructure, including electric vehicles and wind turbines. The report is due to the President on June 18, 2022.

### **Defense Industrial and Technological Base Assessments and Activities**

In FY 2021, the Bureau completed the 100-day report on vulnerabilities in the semiconductor supply chain pursuant to Executive Order 14017, completed the report on the Public Health Industrial Base pursuant to Executive Order 13944; and conducted a survey of the Air Force supply chain network. In FY 2021, the Bureau initiated a multi-year industrial assessment related to U.S. healthcare and public health preparedness and response capabilities. The Bureau also initiated a multi-year industrial assessment to evaluate the current health and competitiveness of the civil segment of the U.S. space industrial base.

### **Additions to the Entity List**

FY 2021 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 2021, BIS published ten rules that added 160 parties to the Entity List for acting contrary to the national security or foreign policy interests of the United States. As of the end of FY 2021, there are a total of over 1,700 active entries on the Entity List in 79 country locations.

### **Supporting Cybersecurity and Human Rights in the Digital Economy**

Working with multilateral partners through the Wassenaar Arrangement, BIS issued an interim final rule, effective in March 2022, which placed new controls on a variety of hardware, software, and related technologies that can be used to conduct malicious cyber activities, including those technologies used by authoritarian governments and other malign actors to undermine human rights. The rule also provides flexibility to allow for legitimate cybersecurity research and incident response activities. In November 2021, BIS also acted on existing authorities to add several entities located in Israel, Russia, and Singapore to the Entity List for engaging in malicious cyber activities. BIS is also supporting the President's Export Controls and Human Rights Initiative (ECHRI) announced during the Summit for Democracy in December 2021.

### **Review of Emerging and Foundational Technologies**

BIS continued to work with interagency colleagues in working groups organized by the National Security Council to analyze certain technologies for potential identification as emerging or foundational technologies. As of the end of 2021, BIS has imposed controls on 38

emerging technologies. While the COVID-19 pandemic has resulted in the slow adoption of new emerging and foundational technology controls by the multilateral regimes, BIS has taken steps to finalize other new controls.

### **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 due to the COVID-19 pandemic, has been offered virtually for the past two years. BIS has also offered virtual seminars on “Complying with Export Controls” and specialty topics, including encryption and reexports, 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 2021, BIS created four 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 how to apply for licenses for biological items and reexports and offshore transactions subject to the EAR. In FY 2021, BIS’s videos were viewed over 42,000 times.

### **Export License Processing**

In FY 2021, BIS processed 41,446 license applications valued at \$1.3 trillion in an average processing time of 26 days. This marked a 9.4% increase from the 37,895 applications processed in 2020. BIS approved 35,630 applications (86.0%) valued at \$340.5 billion, returned 5,109 applications without action (12.3%) valued at \$798.6 billion, and denied 707 applications (1.7%) valued at \$122.1 billion.

BIS obtains monthly data from U.S. Customs and Border Protection (CBP) on exports subject to BIS licensing requirements to evaluate the impact of controls on U.S. exports. For FY 2021, U.S. companies exported \$7.4 billion of licensed items. BIS-licensed exports represented 0.4% of total U.S. exports. Exports made under a BIS license exception totaled \$15.2 billion, representing approximately 0.9% 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, BIS, in coordination with CBP, developed a new edit to the Automated Export System in ACE to enhance compliance for exports filed under No License Required.

**Department of Commerce**  
**BUREAU OF INDUSTRY AND SECURITY**  
**Operations and Administration**  
**Program Change for FY 2023, Defense Production Act**  
(Dollar amounts in thousands)

		FY 2023		FY 2023		Increase/Decrease	
		Base		Estimate		from FY 2023 Base	
		Personnel	Amount	Personnel	Amount	Personnel	Amount
Export	Pos./BA	209	65,994	209	69,938	0	3,944
Administration	FTE/Obl.	209	65,994	209	69,938	0	3,944

**Defense Production Act (DPA) Industrial Studies (+\$3,944, 0 FTE/Positions)** - This funding increase of \$3,943,942 will support the National Defense Authorization Act for Fiscal Year 2021 (NDAA) Section 9904 mandate and will enable the Department to meet expanding requirements for its Defense Production Act (DPA) Section 705 survey and assessment capacity authorities. Both the Department and outside agencies are requesting use of Section 705 data collection provisions for purposes of advancing national security policy objectives. Execution of each industrial base project demands a ramp up of significant contract personnel to support what are typically 24–36-month project life cycles involving detailed industry sector surveys, compliance with survey response requirements, analysis of survey data, and final reports, including recommended actions. While external requesters typically fund surveys and assessments, this funding request reflects the need for dedicated BIS contract staff to rapidly address Presidential Executive Orders, National Security Council requests, legislative mandates, and Secretarial directives for review of the health of various essential industrial sectors. To appropriately meet these requests, BIS requires sustained contract support staff to meet the rising analytical and reporting responsibilities generated by Bureau and Department leadership and to conduct strategic reviews of those assessments.

BIS's national security mission will be significantly enhanced with the requested contract staff increase to expand the use of its Section 705 authority to proactively survey industry sectors and improve the timeliness of these assessments. The additional contractor positions will afford BIS with the capacity to effectively develop and execute Section 705 surveys and resultant assessments that require a significant level of institutional knowledge and experience between successive studies. These resources will also facilitate the reliable, robust, and professional sequence of data collections to meet stakeholder national security policy objectives. The ability for dedicated contract support staff will greatly reduce the assessment cycles from 36 months to 18 months or less based on the assessment type. Additionally, certain industry assessment types may allow for dedicated semi-annual surveying to include automated surveying. This repetitive processing would allow for more timely responses and set industry expectations that a survey would be forthcoming. This frequency of surveying would paint a more effective picture of the immediate state of the industrial base and determine what steps may be required by other government agencies for policy action to include the Department of Commerce and its bureaus' programs (e.g., NIST Manufacturing Extension Partnership).

Performance Measures:	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
With program change:	Reduce the assessment cycles from 36 months to 18 months or less	Reduce the assessment cycles from 36 months to 18 months or less	Reduce the assessment cycles from 36 months to 18 months or less	Reduce the assessment cycles from 36 months to 18 months or less	Reduce the assessment cycles from 36 months to 18 months or less
Without program change:	Time spent to prepare DPA assessments remains at 36 months or longer	Time spent to prepare DPA assessments remains at 36 months or longer	Time spent to prepare DPA assessments remains at 36 months or longer	Time spent to prepare DPA assessments remains at 36 months or longer	Time spent to prepare DPA assessments remains at 36 months or longer
Outyear Cost:					
Direct Obligations:					
Uncapitalized	3,944	4,023	4,103	4,185	4,269
Budget Authority:					
Outlays	3,155	3,747	4,007	4,083	4,165
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, Defense Production Act**  
(Direct Obligations amounts in thousands)

Activity: Export Administration

<b>Object Class</b>		<b>FY 2021 Actual</b>	<b>FY 2022 CR Annualized</b>	<b>FY 2023 Base</b>	<b>FY 2023 Estimate</b>	<b>Increase/Decrease from FY 2023 Base</b>
11.1	Full-time permanent compensation	22,840	27,250	29,698	29,698	0
11.3	Other than full-time permanent	96	403	403	403	0
11.5	Other personnel compensation	529	626	626	626	0
11.8	Special personal services payments	0	0	0	0	0
11.9	<b>Total personnel compensation</b>	<b>23,465</b>	<b>28,279</b>	<b>30,727</b>	<b>30,727</b>	<b>0</b>
12.1	Civilian personnel benefits	7,865	9,233	10,444	10,444	0
13	Benefits for former personnel	7	13	13	13	0
21	Travel and transportation of persons	10	157	166	231	65
22	Transportation of things	8	2	6	11	5
23	Rent, communications, and utilities					
23.1	Rental payments to GSA	3,143	2,660	3,144	3,312	168
23.2	Rental payments to others	0	0	0	0	0
23.3	Communications, utilities, and misc. charges	1,138	1,535	1,686	1,704	18
24	Printing and reproduction	9	7	7	9	2
25	Other contractual services					
25.1	Advisory and assistance services	6,542	2,918	2,960	5,907	2,947
25.2	Other services from non-federal sources	3,677	4,444	4,463	5,022	559
25.3	Other goods and services from federal sources	13,534	10,054	10,171	10,171	0
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	693	862	899	905	6
31	Equipment	1,129	1,254	1,302	1,476	174
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	6	6	6	0
44	Refunds	0	0	0	0	0
99.9	<b>Total obligations</b>	<b>61,222</b>	<b>61,424</b>	<b>65,994</b>	<b>69,938</b>	<b>3,944</b>

**Department of Commerce**  
**BUREAU OF INDUSTRY AND SECURITY**  
**Operations and Administration**  
**Program Change for FY 2023, BIS Website Redesign**  
(Dollar amounts in thousands)

		FY 2023 Base		FY 2023 Estimate		Increase/Decrease from FY 2023 Base	
		Personnel	Amount	Personnel	Amount	Personnel	Amount
Export	Pos./BA	209	65,994	209	66,812	0	818
Administration	FTE/Obl.	209	65,994	209	66,812	0	818

**BIS Website Redesign (+\$818, 0 FTE/Positions)** - This funding increase of \$818,125 will ensure BIS compliance with the Federal Information Technology Acquisition Reform Act (FITARA) and 21st Century Integrated Digital Experience Act (IDEA). BIS is requesting funding to upgrade its web-presence on the Internet, as the current state of the BIS website is built using Joomla, an outdated legacy platform.

BIS' website has grown to 1.8 million site visits yearly, and will likely continue to grow over the years ahead given the greater recognition and public awareness of BIS activities. This metric indicates a continued strong desire from key stakeholders for relevant trade information and regulatory policy rules from the Bureau. When the website launched in the 2012-2013 time frame the annual visitors to the site was around 300,000, and by 2016 it was around 1.2 million annually. Recently, however, the Bureau has seen an uptick in visitor traffic due to increased interest regarding BIS endeavors. This proposal expands BIS's capability in meeting key stakeholder demand for information. An updated and modernized digital web presence is key to convey accurate information in an ongoing presence.

Upgrading the BIS website will allow the Bureau to have an enhanced 24/7 digital means of engagement with the public that helps inform and share relevant content and information regarding activities of interest. Moreover, the website will help enable a more proactive customer experience perspective and support efficacy of our mission endeavors.

This is a priority for BIS and the Department, given the increased need for digital content and purveyance of information from a 24/7 perspective. This digital product essentially becomes a first stop "ambassador of information" for BIS wherein stakeholders can have many of the questions answered by the logical flow of content and resources shared on our site for consideration.

Performance Measures:	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
With program change:	Capacity to support projected 2 million annual site visits and will be in compliance with FITARA and IDEA.	Capacity to support projected 2 million annual site visits and will be in compliance with FITARA and IDEA.	Capacity to support projected 2 million annual site visits and will be in compliance with FITARA and IDEA.	Capacity to support projected 2 million annual site visits and will be in compliance with FITARA and IDEA.	Capacity to support projected 2 million annual site visits and will be in compliance with FITARA and IDEA.
Without program change:	Inability to support the projected 2 million annual site visits and will not be in compliance with FITARA and IDEA.	Inability to support the projected 2 million annual site visits and will not be in compliance with FITARA and IDEA.	Inability to support the projected 2 million annual site visits and will not be in compliance with FITARA and IDEA.	Inability to support the projected 2 million annual site visits and will not be in compliance with FITARA and IDEA.	Inability to support the projected 2 million annual site visits and will not be in compliance with FITARA and IDEA.
Outyear Cost:					
Direct Obligations:					
Uncapitalized	818	834	851	868	885
Budget Authority:					
Outlays	654	777	831	847	864
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, BIS Website Redesign**  
(Direct Obligations amounts in thousands)

Activity: Export Administration

<b>Object Class</b>		<b>FY 2021 Actual</b>	<b>FY 2022 CR Annualized</b>	<b>FY 2023 Base</b>	<b>FY 2023 Estimate</b>	<b>Increase/Decrease from FY 2023 Base</b>
11.1	Full-time permanent compensation	22,840	27,250	29,698	29,698	0
11.3	Other than full-time permanent	96	403	403	403	0
11.5	Other personnel compensation	529	626	626	626	0
11.8	Special personal services payments	0	0	0	0	0
11.9	<b>Total personnel compensation</b>	<b>23,465</b>	<b>28,279</b>	<b>30,727</b>	<b>30,727</b>	<b>0</b>
12.1	Civilian personnel benefits	7,865	9,233	10,444	10,444	0
13	Benefits for former personnel	7	13	13	13	0
21	Travel and transportation of persons	10	157	166	166	0
22	Transportation of things	8	2	6	6	0
23	Rent, communications, and utilities					
23.1	Rental payments to GSA	3,143	2,660	3,144	3,144	0
23.2	Rental payments to others	0	0	0	0	0
23.3	Communications, utilities, and misc. charges	1,138	1,535	1,686	1,686	0
24	Printing and reproduction	9	7	7	7	0
25	Other contractual services					
25.1	Advisory and assistance services	6,542	2,918	2,960	2,960	0
25.2	Other services from non-federal sources	3,677	4,444	4,463	5,281	818
25.3	Other goods and services from federal sources	13,534	10,054	10,171	10,171	0
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	693	862	899	899	0
31	Equipment	1,129	1,254	1,302	1,302	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	6	6	6	0
44	Refunds	0	0	0	0	0
99.9	<b>Total obligations</b>	<b>61,222</b>	<b>61,424</b>	<b>65,994</b>	<b>66,812</b>	<b>818</b>

**Department of Commerce**  
**BUREAU OF INDUSTRY AND SECURITY**  
**Operations and Administration**  
**Program Change for FY 2023, Enhancing Licensing Assessment and Compliance**  
(Dollar amounts in thousands)

		FY 2023 Base		FY 2023 Estimate		Increase/Decrease from 2023 Base	
		Personnel	Amount	Personnel	Amount	Personnel	Amount
Export Administration	Pos/BA	209	65,994	216	68,655	7	2,661
	FTE/Obl.	209	65,994	214	68,655	5	2,661

**Enhancing Licensing Assessment and Compliance (+\$2,661, 5 FTE/7Positions)** - This funding increase of \$2,661,350 will position BIS workforce to address the evolving and increasingly sophisticated tactics employed by U.S. adversaries, and to use data to assess the effectiveness of our licensing system and multilateral partnerships.

In the past two years, BIS has experienced an extraordinary increase in Administration priorities to counter new threats from our adversaries such as China and Russia on the cyber front; the initiation of the US-EU Trade and Technology Council's Export Control Working Group on January 26, 2022 along with plans to initiate similar structured collaboration with Japan, the Republic of Korea, the United Kingdom, and in the Indo-Pacific Economic Forum (IPEF;) and the Administration's further refinement of its policy on semiconductor exports to China in December 2021. All of these priorities have greatly increased BIS's need for additional resources. For example, since 2019, the volume of export license applications processed increased almost 20% and the volume of license determinations for enforcement action increased by approximately 40%. Current geopolitical tensions are likely to drive the increased workload even higher. In December, China released a new export controls strategy, announcing plans to effectively undercut the U.S multilateral approach to counterproliferation, building on the UN General Assembly resolution on "Promoting International Cooperation on Peaceful Uses in the Context of International Security," which it initiated. In these crises, and others, BIS's ability to develop and implement export controls as a national security and foreign policy tool is crucial.

The additional funding will provide BIS with additional analytical personnel to comply with statutory requirements, further protecting U.S. national security by comprehensively assessing, and adjusting as needed, the export controls that it administers. These funds will support BIS's emerging and prospective national security mission, particularly China, Russia, cyber, firearms, its coordination with allies, and semiconductors. The funding will also invest in critical support of BIS's expanded national security mission. BIS will be able to build capability and further assess the impact of export license applications, including denials, on the U.S. defense industrial base; provide more robust and targeted compliance guidance to U.S. exporters, including the academic community; and strategically assess the effectiveness of the export control system in protecting U.S. national security. In the last two years, the work of BIS has expanded dramatically, but resources have not, leaving the Bureau undersized by an order of magnitude.

Performance Measures:	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
Without requested program change	Maintain limited capability to comprehensively implement key statutory requirements.	Maintain limited capability to comprehensively implement key statutory requirements.	Maintain limited capability to comprehensively implement key statutory requirements.	Maintain limited capability to comprehensively implement key statutory requirements.	Maintain limited capability to comprehensively implement key statutory requirements.
With requested program change	Increased ability to comply with statutory requirements and extensively assess the impact of export license applications.	Increased ability to comply with statutory requirements and extensively assess the impact of export license applications.	Increased ability to comply with statutory requirements and extensively assess the impact of export license applications.	Increased ability to comply with statutory requirements and extensively assess the impact of export license applications.	Increased ability to comply with statutory requirements and extensively assess the impact of export license applications.
Outyear Cost:					
Direct Obligations:					
Uncapitalized	2,661	2,714	2,769	2,824	2,880
Budget Authority:					
Outlays	2,129	2,528	2,704	2,755	2,810
FTE	5	5	5	5	5
Positions	7	7	7	7	7

**Department of Commerce**  
**BUREAU OF INDUSTRY AND SECURITY**  
**Operations and Administration**  
**Program Change Personnel Detail, Enhancing Licensing Assessment and Compliance**

Activity: Export Administration

Program Change: Enhancing Licensing Assessment and Compliance

Full-time permanent

Title	Grade	Number	Annual Salary	Total Salaries
Operations Research Analyst	13	1	117,516	117,516
Export Policy Analyst	13	1	117,516	117,516
Export Policy Analyst	12	4	98,827	395,308
Admin Support Specialist	12	1	98,827	98,827
Total		7	432,686	729,167
Plus Special Agents Availability Pay	25%			0
Less lapse	25%	(2)		(182,292)
Total full-time permanent (FTE)		5		546,875
FY 2023 Pay Adjustment (4.6%)	4.6%			25,156
<b>Total</b>				<b>\$572,032</b>

Personnel Data Summary

Full-time Equivalent Employment (FTE)

Full-time permanent	5
Part-time permanent	0
Full-time temporary	0
Part-time temporary	0
Total FTE	5

Authorized Positions

Full-time permanent	7
Part-time permanent	0
Full-time temporary	0
Part-time temporary	0
Total Positions	7

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

**Program Change Detail by Object Class, Enhancing Licensing Assessment and Compliance**

(Direct Obligations amounts in thousands)

Activity: Export Administration

<b>Object Class</b>		<b>FY 2021 Actual</b>	<b>FY 2022 CR Annualized</b>	<b>FY 2023 Base</b>	<b>FY 2023 Estimate</b>	<b>Increase/Decrease from FY 2023 Base</b>
11.1	Full-time permanent compensation	22,840	27,250	29,698	30,270	572
11.3	Other than full-time permanent	96	403	403	403	0
11.5	Other personnel compensation	529	626	626	626	0
11.8	Special personal services payments	0	0	0	0	0
11.9	<b>Total personnel compensation</b>	<b>23,465</b>	<b>28,279</b>	<b>30,727</b>	<b>31,299</b>	<b>572</b>
12.1	Civilian personnel benefits	7,865	9,233	10,444	10,627	183
13	Benefits for former personnel	7	13	13	13	0
21	Travel and transportation of persons	10	157	166	171	5
22	Transportation of things	8	2	6	87	81
23	Rent, communications, and utilities					
23.1	Rental payments to GSA	3,143	2,660	3,144	3,354	210
23.2	Rental payments to others	0	0	0	0	0
23.3	Communications, utilities, and misc. charges	1,138	1,535	1,686	1,711	25
24	Printing and reproduction	9	7	7	10	3
25	Other contractual services					
25.1	Advisory and assistance services	6,542	2,918	2,960	2,960	0
25.2	Other services from non-federal sources	3,677	4,444	4,463	5,123	660
25.3	Other goods and services from federal sources	13,534	10,054	10,171	10,882	711
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	693	862	899	1,008	109
31	Equipment	1,129	1,254	1,302	1,404	102
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	6	6	6	0
44	Refunds	0	0	0	0	0
99.9	<b>Total obligations</b>	<b>61,222</b>	<b>61,424</b>	<b>65,994</b>	<b>68,655</b>	<b>2,661</b>

**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 2021		FY 2022		FY 2023		FY 2023		Increase/Decrease	
		Actual		CR Annualized		Base		Estimate		from FY 2023 Base	
		Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount
Export	Pos./BA	197	69,017	223	69,017	223	75,979	247	85,218	24	9,239
Enforcement	FTE/Obl	185	78,270	223	73,670	223	75,979	240	85,218	17	9,239
<b>Total</b>	<b>Pos./BA</b>	<b>197</b>	<b>69,017</b>	<b>223</b>	<b>69,017</b>	<b>223</b>	<b>75,979</b>	<b>247</b>	<b>85,218</b>	<b>24</b>	<b>9,239</b>
	<b>FTE/Obl</b>	<b>185</b>	<b>78,270</b>	<b>223</b>	<b>73,670</b>	<b>223</b>	<b>75,979</b>	<b>240</b>	<b>85,218</b>	<b>17</b>	<b>9,239</b>

**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 2021 Actual		FY 2022 CR Annualized		FY 2023 Base		FY 2023 Estimate		Increase/Decrease from FY 2023 Base	
		Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount
Export	Pos./BA	0	132	0	120	0	122	0	122	0	0
Enforcement	FTE/Obl.	0	94	0	124	0	122	0	122	0	0
<b>Total</b>	<b>Pos./BA</b>	<b>0</b>	<b>132</b>	<b>0</b>	<b>120</b>	<b>0</b>	<b>122</b>	<b>0</b>	<b>122</b>	<b>0</b>	<b>0</b>
	<b>FTE/Obl.</b>	<b>0</b>	<b>94</b>	<b>0</b>	<b>124</b>	<b>0</b>	<b>122</b>	<b>0</b>	<b>122</b>	<b>0</b>	<b>0</b>

**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 and restricted destinations, including expanded controls on Russia, to unauthorized 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 pursuant to the Export Control Reform Act of 2018 (ECRA) (50 U.S.C. 4801-4852), the International Emergency Economic Powers Act (IEEPA) (50 U.S.C. 1701 *et seq.*), 13 U.S.C. 305, 22 U.S.C. 401, the Export Administration Regulations (EAR), the Foreign Trade Regulations (FTR), and other relevant statutes and regulations.

The program enforces national security laws and supports foreign policy through the prevention and investigation of illegal exports of U.S. items and violations of antiboycott requirements:

- EE Special Agents with law enforcement authority investigate 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 EAR to ensure a safe nation and fair marketplace for U.S. industry;
- EE advises U.S. and foreign exporters, manufacturers, universities, 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;
- 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 addition to 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.
- Pursue violations through administrative or criminal penalties, 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, 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 hostile 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, and conduct strategic analysis to inform policy and enforcement actions.
- Work with international partners, especially through the Export Control Officer (ECO) program and end-use monitoring, to prevent diversion to unauthorized end users and end uses.
- Expand criminal intelligence capabilities to identify and disrupt 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 safeguard transactions.
- 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 antiboycott provisions of the EAR.

### **Explanation and Justification**

Line Item		2021 Actual		2022 CR Annualized		2023 Base	
		Personnel	Amount	Personnel	Amount	Personnel	Amount
Export	Pos./BA	197	69,017	223	69,017	223	75,979
Enforcement	FTE/Obl.	185	78,270	223	73,670	223	75,979

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, human rights abusers, 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, or in response to geopolitical situations such as Russia's invasion of Ukraine.

This requires EE to scrutinize miniscule details of direct exports from the United States, in-country transfers abroad, re-exports of licensed and unlicensed U.S. items, as well as the export from abroad of certain foreign-produced items. Program success depends upon EE confirming whether these items are diverted to unauthorized end uses or end users.

Efforts to counter illicit intangible technology procurement require extra scrutiny because they may occur electronically or through oral or visual release, both domestically and internationally. Detecting unauthorized activities from these kinds of transfers includes identifying foreign entities in the United States, evaluating technology transfers accomplished through foreign investment, computer forensics, or otherwise in the cyber realm.

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 and changes to controls addressing national security threats helped EE gain access to new sources and types of information. The program is also working to analyze more efficiently all data available to the U.S. government.

In FY 2023, 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, Japan, and the United Kingdom, as well as trans-shipment hubs, such as Finland, Malaysia, Singapore, and the United Arab Emirates (UAE). Through its ECO program, EE enhances these partnerships to prevent the diversion of EAR items.

The **Office of Export Enforcement (OEE)**, a component of the EE program, consists of a dedicated group of Special Agents (Criminal Investigators) who promote economic and national security by aggressively investigating violations of export control laws, including ECRA and the EAR. Unique criminal and administrative authorities allow OEE Special Agents to investigate some of the most serious threats to our national security, thereby protecting U.S. sensitive, including emerging and foundational technologies.

Part of the core capability of the investigative process is housed within the **Office of Enforcement Analysis (OEA)**. OEA 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

criminal and/or 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.

OEA's ECOs are paramount to this cooperation. In addition to conducting end-use verifications, which includes pre-license checks and post-shipment verifications, the ECOs stationed in seven locations abroad help build foreign governments' capacities to implement export controls and develop complementary enforcement actions, as well as educate foreign industry on EAR compliance. The ECOs receive periodic augmentation from OEE Special Agents under the auspices of the Sentinel Program to conduct end-use checks during temporary deployments.

The third pillar of the BIS Enforcement arm is the **Office of Antiboycott Compliance (OAC)**. OAC administers and enforces the antiboycott provisions of the EAR, issued pursuant to the Anti-Boycott Act of 2018, a part of ECRA. Those provisions 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 OAC.

### **Significant Accomplishments**

#### *Defense Articles to Hong Kong*

On May 28, 2021, Lionel Chan and Muhammad Mohd Radzi were sentenced in U.S. District Court for the District of Massachusetts. Chan was sentenced to eight months in prison, 36 months of supervised release, a \$10,000 criminal fine, and a \$100 special assessment. Radzi was sentenced to 60 months of probation, a \$10,000 criminal fine, and a \$100 assessment. Radzi was also ordered to leave the United States by June 15, 2021, and not return for at least five years. On January 22, 2021, Chan and Radzi pled guilty in connection with the unauthorized export of defense articles to Hong Kong. This is a joint investigation with OEE, CBP, and Homeland Security Investigations (HSI).

#### *Firearms Parts, Night Vision, and Bulletproof Vests to Ukraine and Russia*

On May 25, 2021, Gene Shilman was sentenced in U.S. District Court for the District of New Jersey to 24 months in prison, one year of supervised release, and a \$100 special assessment. On May 22, 2019, Shilman, a U.S. citizen and native of Russia, pled guilty to conspiracy. Shilman exported defense articles regulated by the Arms Export Control Act and items with both defense and civilian uses that are subject to ECRA to Ukraine and Russia without the required export licenses. Shilman ordered and received firearm components and parts, ammunition, night-vision goggles, and bulletproof vests from various vendors and firearms dealers in the United States. He repackaged and shipped these munitions to overseas locations without the required export licenses. In addition, Shilman completed a

Customs Declaration on which he falsely represented that the contents of the parcel destined for Ukraine contained tools and cartridges. This is a joint investigation with OEE, the U.S. Postal Inspection Service, and the Federal Bureau of Investigation (FBI).

*Military Grade Water Craft and Multi-Fuel Engines to China*

On March 31, 2021, Zheng Yan was sentenced in U.S. District Court for the Middle District of Florida to 17 months in prison, one year of supervised release pending deportation, a prohibition on employment with any company that deals with the military, and a \$100 special assessment. On December 9, 2020, Yang Yang was sentenced in U.S. District Court for the Middle District of Florida to time served in prison, two years of supervised release, mandatory mental health screening, and a \$200 special assessment. Yang, a dual Chinese/U.S. citizen, conspired with others to illegally export military-grade watercraft to China, typically only available to the U.S. Special Operations community. On November 2, 2020, September 15, 2020, and August 13, 2020, respectively, Ge Song Tao, Yang, and Zheng Yan, pled guilty to charges related the export of maritime raiding craft and engines to China. Tao, Yang, and Yan conspired to obtain these vessels and multi-fuel engines, which are used by the U.S. military and can be operated after being launched from a submerged submarine or dropped into the ocean by an aircraft. They obscured the true consignee in China from the U.S. manufacturer of these items in order to purchase and export them. The investigation also revealed the boats and engines were to be reverse-engineered and mass-produced for the Chinese military. This is a joint investigation with OEE, the FBI, Naval Criminal Investigative Service, and the Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF).

*Electronic components to Entity List companies in Russia*

On March 5, 2021, BIS issued a final order imposing a 15-year denial order against Alexander Brazhnikov, Jr. The order resolved allegations that Brazhnikov participated in an elaborate multi-year conspiracy to procure electronic components from U.S. manufacturers and distributors for export to Russia without the required export licenses. On June 30, 2016, Alexander Brazhnikov, owner of ABN Universal in Carteret, New Jersey, was sentenced in U.S. District Court for the District of New Jersey to 70 months in prison, a \$75,000 criminal fine, a \$65 million forfeiture, forfeiture of his two houses valued at approximately \$500,000 each, and a \$300 special assessment. On June 11, 2015, Brazhnikov pled guilty to conspiracy to commit money laundering, conspiracy to smuggle electronics from the United States, and conspiracy to violate IEEPA. Brazhnikov and his companies are part of a sophisticated procurement network that obtained and smuggled more than \$65 million worth of sensitive electronic components from American manufacturers and vendors, and exported those items to the Federal States Unitary Enterprise Russian Nuclear Center - Academician E.I. Zababkhin All-Russian Scientific Research Institute of Physics, and MIG Electronics, located in Russia. Both companies appear on BIS's Entity List. Brazhnikov was responsible for nearly 2,000 illegal shipments of electronics components, many of which were obtained by Russian military and security forces. Brazhnikov also took extensive measure to conceal the true destination of the parts and the true sources of funds in Russia, as well as the identities of the various Russian defense contracting firms receiving U.S. electronics components. This is a joint investigation with OEE, the FBI, and U.S. Immigration and Customs Enforcement (ICE).

*Cesium Atomic Clock to Hong Kong*

On March 3, 2021, Alex Yun Cheong Yue was sentenced in U.S. District Court for the District of Massachusetts to time served plus 12 months of home confinement, two years of supervised release, a forfeiture of \$5,960, and a \$400 special assessment. On August 10, 2020, Yue pled guilty in connection with the illegal export of cesium atomic clocks to Hong Kong. Yue represented to the manufacturer that the items were for domestic use, but he was actually shipping them to a shell company in Hong Kong without the required export license authorization. This is a joint investigation with OEE and HSI.

*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 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 OEE, ICE, ATF, Naval Criminal Investigative Service, U.S. Marine Corps, and Department of State's Diplomatic Security Service.

*Rifle-making Equipment to Russia*

On February 19, 2021, Vitally Nilovv was sentenced in U.S. District Court for the Southern District of New York to time served in prison, 10 months of supervised release, and a \$100 special assessment. On September 22, 2020, Nilovv pled guilty to violating ECRA in connection with his attempt to unlawfully export rifle-making equipment to Russia without the required license. This is a joint investigation with OEE and ICE.

*Infrared Camera to Iran*

On February 17, 2021, BIS revoked export privileges for Siddharth Bhatt, a Chicago resident, for an illegal export to the UAE. On September 16, 2020, Bhatt was sentenced in U.S. District Court for the District of Columbia to six months in a halfway house, four years of probation, a \$2,500 criminal fine, and a \$100 special assessment. On the same date, Bhatt's company, Lynx Group LCC, was also sentenced to a \$2,000 fine and a \$400 special assessment. On March 9, 2020, Bhatt and Lynx Group pled guilty in connection with a conspiracy to transship sensitive U.S.-origin goods, including an infrared camera, to Iran via the UAE. Bhatt submitted false end-user information to BIS in support of an export license application and exported the infrared camera prior to obtaining license authorization. This is a joint investigation with OEE and the FBI.

*Electronic Components to China and Iran via Singapore*

On January 29, 2021, Avnet Asia Pte. Ltd., a Singapore-based company, entered into agreements with BIS 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 EAR, 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 FBI, and ICE.

*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 illegally export 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 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 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 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 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 ICE.

*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 Change for FY 2023, Expanding Partnerships with Close Allies**  
(Dollar amounts in thousands)

		FY 2023 Base		FY 2023 Estimate		Increase/Decrease from 2023 Base	
		Personnel	Amount	Personnel	Amount	Personnel	Amount
Export Enforcement	Pos/BA	223	75,979	227	77,849	4	1,870
	FTE/Obl.	223	75,979	226	77,849	3	1,870

**Expanding Partnerships with Close Allies to Secure American Supply Chains (+\$1,870, 3 FTE/4 Positions)** - This funding increase of \$1,869,627 will support an expanded partnership with Canada to secure American supply chains through the establishment of four new positions: one analytical Export Control Attaché (ECA) position in Canada; one Export Control Specialist position at the Customs and Border Protection (CBP) National Targeting Center (NTC) International Fellows Center, which involves customs officials from 10 key trading partners; and two U.S.-based Special Agents available for temporary duty assignment (TDY) end-use monitoring in Canada and support to joint investigations with the Canada Border Services Agency (CBSA).

BIS and the CBSA, located in Ottawa, Canada, have enjoyed a long standing, collaborative relationship supporting each other's export control compliance and law enforcement activities; however, CBSA does not have the authority or capacity to monitor and enforce U.S. export control laws when U.S.-origin items traverse Canada intended for illicit end uses or end users, or restricted destinations such as Russia. Further, under the current customs arrangement with Canada, BIS does not have visibility into U.S. unlicensed exports to Canada or the reexport of any U.S. items from Canada potentially allowing export violators to continue illicit operations and violations to frequently occur without detection. With the integrated defense and technology industrial base between Canada and the United States, it is imperative that BIS work closely with CBSA to limit illicit actors' use of Canada's proximity as a diversion point for U.S. export-controlled items and expand its investigative focus resulting from this new partnership.

BIS seeks to expand its existing partnership with NTC and initiate a new relationship with their internal International Fellows Center. The Five Eyes Center advances international cooperation through allied partnership between the U.S., Canada, Australia, New Zealand, and the United Kingdom. This new relationship will strengthen ties with CBSA and other allies for additional coordination of classified intelligence on transnational supply chains and illicit actors seeking to circumvent U.S. export control laws.

Performance Measures:	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
Without requested program change	Loss in the number of administrative and criminal penalties and deterrent effect on violators due to insufficient oversight	Loss in the number of administrative and criminal penalties and deterrent effect on violators due to insufficient oversight	Loss in the number of administrative and criminal penalties and deterrent effect on violators due to insufficient oversight	Loss in the number of administrative and criminal penalties and deterrent effect on violators due to insufficient oversight	Loss in the number of administrative and criminal penalties and deterrent effect on violators due to insufficient oversight
With requested program change	Increase in the number of administrative and criminal penalties and deterrent effect on violators	Increase in the number of administrative and criminal penalties and deterrent effect on violators	Increase in the number of administrative and criminal penalties and deterrent effect on violators	Increase in the number of administrative and criminal penalties and deterrent effect on violators	Increase in the number of administrative and criminal penalties and deterrent effect on violators
Outyear Cost:					
Direct Obligations:					
Uncapitalized	1,870	1,907	1,946	1,984	2,024
Budget Authority:					
Outlays	1,496	1,777	1,900	1,936	1,975
FTE	3	3	3	3	3
Positions	4	4	4	4	4

**Department of Commerce**  
**BUREAU OF INDUSTRY AND SECURITY**  
**Operations and Administration**  
**Program Change Personnel Detail, Expanding Partnerships with Close Allies**

Activity: Export Enforcement

Program Change: Expanding Partnerships with Close Allies to Secure  
 American Supply Chains

Full-time permanent

Title	Grade	Number	Annual Salary	Total Salaries
Export Control Attache (ECA-Canada Liaison)	14	1	138,866	138,866
Export Compliance Specialist (Canada)	14	1	138,866	138,866
Special Agent	13	2	117,516	235,032
Total		4	395,248	512,764
Plus Special Agents Availability Pay	25%			58,758
Less lapse	25%	(1)		(142,881)
Total full-time permanent (FTE)		3		428,642
FY 2023 Pay Adjustment (4.6%)	4.6%			19,718
<b>Total</b>				<b>\$448,359</b>

Personnel Data Summary

Full-time Equivalent Employment (FTE)

Full-time permanent	3
Part-time permanent	0
Full-time temporary	0
Part-time temporary	0
Total FTE	3

Authorized Positions

Full-time permanent	4
Part-time permanent	0
Full-time temporary	0
Part-time temporary	0
Total Positions	4

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

**Program Change Detail by Object Class, Expanding Partnerships with Close Allies**

(Direct Obligations amounts in thousands)

Activity: Export Enforcement

<b>Object Class</b>		<b>FY 2021 Actual</b>	<b>FY 2022 CR Annualized</b>	<b>FY 2023 Base</b>	<b>FY 2023 Estimate</b>	<b>Increase/Decrease from FY 2023 Base</b>
11.1	Full-time permanent compensation	22,628	27,183	29,202	29,603	401
11.3	Other than full-time permanent	162	170	187	187	0
11.5	Other personnel compensation	3,695	4,392	4,961	5,008	47
11.8	Special personal services payments	0	0	0	0	0
11.9	<b>Total personnel compensation</b>	<b>26,485</b>	<b>31,745</b>	<b>34,350</b>	<b>34,798</b>	<b>448</b>
12.1	Civilian personnel benefits	12,856	14,603	15,891	16,078	187
13	Benefits for former personnel	6	8	8	8	0
21	Travel and transportation of persons	801	619	627	660	33
22	Transportation of things	252	193	197	198	1
23	Rent, communications, and utilities					
23.1	Rental payments to GSA	3,345	2,780	3,295	3,351	56
23.2	Rental payments to others	0	0	0	0	0
23.3	Communications, utilities, and misc. charges	1,331	1,373	1,533	1,539	6
24	Printing and reproduction	18	6	6	7	1
25	Other contractual services					
25.1	Advisory and assistance services	1,943	1,436	1,477	1,477	0
25.2	Other services from non-federal sources	8,210	4,269	4,288	5,168	880
25.3	Other goods and services from federal sources	20,550	14,268	11,846	11,985	139
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	1,263	1,060	1,099	1,159	60
31	Equipment	1,208	1,308	1,360	1,418	58
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	<b>Total obligations</b>	<b>78,270</b>	<b>73,670</b>	<b>75,979</b>	<b>77,849</b>	<b>1,870</b>

**Department of Commerce**  
**BUREAU OF INDUSTRY AND SECURITY**  
**Operations and Administration**  
**Program Change for FY 2023, BIS Website Redesign**  
(Dollar amounts in thousands)

		FY 2023 Base		FY 2023 Estimate		Increase/Decrease from FY 2023 Base	
		Personnel	Amount	Personnel	Amount	Personnel	Amount
Export	Pos./BA	223	75,979	223	76,850	0	871
Enforcement	FTE/Obl.	223	75,979	223	76,850	0	871

**BIS Website Redesign (+\$871, 0 FTE/Positions)** - This funding increase of \$870,625 will ensure BIS compliance with the Federal Information Technology Acquisition Reform Act (FITARA) and 21st Century Integrated Digital Experience Act (IDEA). BIS is requesting funding to upgrade its web-presence on the Internet, as the current state of the BIS website is built using Joomla, an unsupported legacy platform.

BIS' website has grown to 1.8 million site visits yearly, and will likely continue to grow over the years ahead given the greater recognition and public awareness of BIS activities. This metric indicates a continued strong desire from key stakeholders for relevant trade information and regulatory policy rules from the Bureau. When the website launched in the 2012-2013 time frame the annual visitors to the site was around 300,000, and by 2016 it was around 1.2 million annually. Recently, however, the Bureau has seen an uptick in visitor traffic due to increased interest regarding BIS endeavors. This proposal expands BIS's capability in meeting key stakeholder demand for information. An updated and modernized digital web presence is key to convey accurate information in an ongoing presence..

Upgrading the BIS website will allow the Bureau to have an enhanced 24/7 digital means of engagement with the public that helps inform and share relevant content and information regarding activities of interest. Moreover, the website will help enable a more pro-active customer experience perspective and support efficacy of our mission endeavors.

This is a priority for BIS and the Department, given the increased need for digital content and purveyance of information from a 24/7 perspective. This digital product essentially becomes a first stop "ambassador of information" for BIS wherein stakeholders can have many of the questions answered by the logical flow of content and resources shared on our site for consideration.

Performance Measures:	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
With program change:	Capacity to support projected 2 million annual site visits and will be in compliance with FITARA and IDEA.	Capacity to support projected 2 million annual site visits and will be in compliance with FITARA and IDEA.	Capacity to support projected 2 million annual site visits and will be in compliance with FITARA and IDEA.	Capacity to support projected 2 million annual site visits and will be in compliance with FITARA and IDEA.	Capacity to support projected 2 million annual site visits and will be in compliance with FITARA and IDEA.
Without program change:	Inability to support the projected 2 million annual site visits and will not be in compliance with FITARA and IDEA.	Inability to support the projected 2 million annual site visits and will not be in compliance with FITARA and IDEA.	Inability to support the projected 2 million annual site visits and will not be in compliance with FITARA and IDEA.	Inability to support the projected 2 million annual site visits and will not be in compliance with FITARA and IDEA.	Inability to support the projected 2 million annual site visits and will not be in compliance with FITARA and IDEA.
Outyear Cost:					
Direct Obligations:					
Uncapitalized	871	888	906	924	943
Budget Authority:					
Outlays	697	827	885	902	920
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, BIS Website Redesign**  
(Direct Obligations amounts in thousands)

Activity: Export Enforcement

<b>Object Class</b>	<b>FY 2021 Actual</b>	<b>FY 2022 CR Annualized</b>	<b>FY 2023 Base</b>	<b>FY 2023 Estimate</b>	<b>Increase/Decrease from FY 2023 Base</b>
11.1 Full-time permanent compensation	22,628	27,183	29,202	29,202	0
11.3 Other than full-time permanent	162	170	187	187	0
11.5 Other personnel compensation	3,695	4,392	4,961	4,961	0
11.8 Special personal services payments	0	0	0	0	0
<b>11.9 Total personnel compensation</b>	<b>26,485</b>	<b>31,745</b>	<b>34,350</b>	<b>34,350</b>	<b>0</b>
12.1 Civilian personnel benefits	12,856	14,603	15,891	15,891	0
13 Benefits for former personnel	6	8	8	8	0
21 Travel and transportation of persons	801	619	627	627	0
22 Transportation of things	252	193	197	197	0
23 Rent, communications, and utilities					
23.1 Rental payments to GSA	3,345	2,780	3,295	3,295	0
23.2 Rental payments to others	0	0	0	0	0
23.3 Communications, utilities, and misc. charges	1,331	1,373	1,533	1,533	0
24 Printing and reproduction	18	6	6	6	0
25 Other contractual services					
25.1 Advisory and assistance services	1,943	1,436	1,477	1,477	0
25.2 Other services from non-federal sources	8,210	4,269	4,288	5,159	871
25.3 Other goods and services from federal sources	20,550	14,268	11,846	11,846	0
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	1,263	1,060	1,099	1,099	0
31 Equipment	1,208	1,308	1,360	1,360	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
<b>99.9 Total obligations</b>	<b>78,270</b>	<b>73,670</b>	<b>75,979</b>	<b>76,850</b>	<b>871</b>

**Department of Commerce**  
**BUREAU OF INDUSTRY AND SECURITY**  
**Operations and Administration**  
**Program Change for FY 2023, Export Control Officer (ECO) Program**  
(Dollar amounts in thousands)

		FY 2023 Base		FY 2023 Estimate		Increase/Decrease from 2023 Base	
		Personnel	Amount	Personnel	Amount	Personnel	Amount
Export	Pos./BA	223	75,979	223	75,138	0	-841
Enforcement	FTE/Obl.	223	75,979	223	75,138	0	-841

**Export Control Officer (ECO) Program (-\$841, 0 FTE/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 2023, 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 2023	FY 2024	FY 2025	FY 2026	FY 2027
Without requested program change	ECO program will maintain operations and	ECO program will maintain operations and	ECO program will maintain operations and	ECO program will maintain operations and	ECO program will maintain operations and

	engage with partners to prevent the diversion of U.S. origin items.	engage with partners to prevent the diversion of U.S. origin items.	engage with partners to prevent the diversion of U.S. origin items.	engage with partners to prevent the diversion of U.S. origin items.	engage with partners to prevent the diversion of U.S. origin items.
With requested 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	(673)	(799)	(854)	(871)	(888)
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 Control Officer (ECO) Program**  
(Dollar amounts in thousands)

Activity: Export Enforcement

<b>Object Class</b>	<b>FY 2021 Actual</b>	<b>FY 2022 CR Annualized</b>	<b>FY 2023 Base</b>	<b>FY 2023 Estimate</b>	<b>Increase/Decrease from FY 2023 Base</b>
11.1 Full-time permanent compensation	22,628	27,183	29,202	29,202	0
11.3 Other than full-time permanent	162	170	187	187	0
11.5 Other personnel compensation	3,695	4,392	4,961	4,961	0
11.8 Special personal services payments	0	0	0	0	0
<b>11.9 Total personnel compensation</b>	<b>26,485</b>	<b>31,745</b>	<b>34,350</b>	<b>34,350</b>	<b>0</b>
12.1 Civilian personnel benefits	12,856	14,603	15,891	15,891	0
13 Benefits for former personnel	6	8	8	8	0
21 Travel and transportation of persons	801	619	627	627	0
22 Transportation of things	252	193	197	197	0
23 Rent, communications, and utilities					
23.1 Rental payments to GSA	3,345	2,780	3,295	3,295	0
23.2 Rental payments to others	0	0	0	0	0
23.3 Communications, utilities, and misc. charges	1,331	1,373	1,533	1,533	0
24 Printing and reproduction	18	6	6	6	0
25 Other contractual services					
25.1 Advisory and assistance services	1,943	1,436	1,477	1,477	0
25.2 Other services from non-federal sources	8,210	4,269	4,288	4,288	0
25.3 Other goods and services from federal sources	20,550	14,268	11,846	11,005	(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	1,263	1,060	1,099	1,099	0
31 Equipment	1,208	1,308	1,360	1,360	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
<b>99.9 Total obligations</b>	<b>78,270</b>	<b>73,670</b>	<b>75,979</b>	<b>75,138</b>	<b>(841)</b>

**Department of Commerce**  
**BUREAU OF INDUSTRY AND SECURITY**  
**Operations and Administration**  
**Program Change for FY 2023, Securing the U.S. Technology Ecosystem**  
(Dollar amounts in thousands)

		FY 2023		FY 2023		Increase/Decrease	
		Base		Estimate		from 2023 Base	
		Personnel	Amount	Personnel	Amount	Personnel	Amount
Export Enforcement	Pos/BA	223	75,979	243	83,318	20	7,339
	FTE/Obl.	223	75,979	237	83,318	14	7,339

**Securing the U.S. Technology Ecosystem (+\$7,339, 14 FTE/20 Positions)** - The funding increase of \$7,338,649 is necessary to provide critical investments in Special Agents and Enforcement analysts needed to keep pace with the increased cases related to China, Russia, and other foreign adversaries, firearms, and cyber threats. In the last 2 years the work for Export Enforcement (EE) has expanded dramatically but resources have not, leaving the program undersized by an order of magnitude. For example, since 2019, the number of BIS enforcement cases opened involving China has increased 79%, and the number of Chinese and Russian parties added to the Entity List has increased by 44%, of which ~90% were added based on EE investigative outcomes. Additionally, the pace and severity of Chinese and Russian cyberattacks involving unauthorized exfiltration of U.S. technology have dramatically increased. The number of firearms investigations has increased 240% since their transfer from the Department of State to Commerce jurisdiction in 2020. Current geopolitical tensions involving countries such as Russia, and resulting expanded controls related to their invasion of Ukraine, and China may critically strain BIS's enforcement resources further and subsequently amplify the need for these critical resources. The thirst for U.S technology and research by the adversaries has driven them to take steps to accomplish their malign strategic goals by technology acquisition (both legal and illegal) and theft of trade secrets. The infiltration of foreign bad actors into U.S. research and development nodes and the resulting exportation of the resulting technology back to foreign adversaries is recognized throughout the U.S. Government as an existential threat. To counter our foreign adversaries expanded attempts to exert political, military, and economic influence, this initiative will secure critical supply chains, promote regional stability, and disrupt attempts to illegally procure U.S. firearms that support transnational crimes, such as narco-trafficking.

Export Enforcement (EE) plans to hire an additional 20 positions to identify, investigate, and disrupt malign actors who leverage the U.S. technology ecosystem to enable human rights abuses, acquire chokepoint semiconductor or other critical technologies to undermine U.S. national security, and illicitly acquire U.S. firearms in support of transnational crimes that impact the homeland and regional stability.

Performance Measures:		FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
Without requested program change		The ability to keep pace with foreign adversary technology acquisition attempts may be compromised or result in tradeoffs due to resource constraints.	The ability to keep pace with foreign adversary technology acquisition attempts may be compromised or result in tradeoffs due to resource constraints.	The ability to keep pace with foreign adversary technology acquisition attempts may be compromised or result in tradeoffs due to resource constraints.	The ability to keep pace with foreign adversary technology acquisition attempts may be compromised or result in tradeoffs due to resource constraints.	The ability to keep pace with foreign adversary technology acquisition attempts may be compromised or result in tradeoffs due to resource constraints.
With requested program change		Increase in number of administrative and criminal penalties and deterrent effect on violators.	Increase in number of administrative and criminal penalties and deterrent effect on violators.	Increase in number of administrative and criminal penalties and deterrent effect on violators.	Increase in number of administrative and criminal penalties and deterrent effect on violators.	Increase in number of administrative and criminal penalties and deterrent effect on violators.
Outyear Cost:						
Direct Obligations:						
Uncapitalized		7,339	7,486	7,635	7,788	7,944
Budget Authority:						
Outlays		5,871	6,972	7,456	7,598	7,750
FTE		14	14	14	14	14
Positions		20	20	20	20	20

**Department of Commerce**  
**BUREAU OF INDUSTRY AND SECURITY**  
**Operations and Administration**  
**Program Change Personnel Detail, Securing the U.S. Technology Ecosystem**

Activity: Export Enforcement  
Program Change: Securing the U.S. Technology Ecosystem

Full-time permanent

Title	Grade	Number	Annual Salary	Total Salaries
Export Compliance Specialist	13	4	116,353	465,412
Export Enforcement Specialist	13	2	116,353	232,706
Special Agent	13	6	116,353	698,118
Special Agent	14	4	137,591	550,364
Special Agent	15	1	161,730	161,730
Special Agent in Charge	15	1	161,730	161,730
Senior Special Agent	14	2	137,591	275,182
Total		20	947,701	2,545,242
Plus Special Agents Availability Pay	25%			461,781
Less lapse	25%	(6)		(751,756)
Total full-time permanent (FTE)		14		2,255,267
FY 2023 Pay Adjustment (4.6%)	4.6%			103,742
<b>Total</b>				<b>\$2,359,010</b>

**Personnel Data Summary**

Full-time Equivalent Employment (FTE)

Full-time permanent	14
Part-time permanent	0
Full-time temporary	0

Part-time temporary	0
Total FTE	14

Authorized Positions

Full-time permanent	20
Part-time permanent	0
Full-time temporary	0
Part-time temporary	0
Total Positions	20

**Department of Commerce**  
**BUREAU OF INDUSTRY AND SECURITY**  
**Operations and Administration**  
**Program Change Detail by Object Class, Securing the U.S. Technology Ecosystem**  
(Dollar amounts in thousands)

Activity: Export Enforcement

<b>Object Class</b>	<b>FY 2021 Actual</b>	<b>FY 2022 CR Annualized</b>	<b>FY 2023 Base</b>	<b>FY 2023 Estimate</b>	<b>Increase/Decrease from FY 2023 Base</b>
11.1 Full-time permanent compensation	22,628	27,183	29,202	31,199	1,997
11.3 Other than full-time permanent	162	170	187	187	0
11.5 Other personnel compensation	3,695	4,392	4,961	5,323	362
11.8 Special personal services payments	0	0	0	0	0
11.9 <b>Total personnel compensation</b>	26,485	31,745	34,350	36,709	2,359
12.1 Civilian personnel benefits	12,856	14,603	15,891	17,008	1,117
13 Benefits for former personnel	6	8	8	8	0
21 Travel and transportation of persons	801	619	627	1,126	499
22 Transportation of things	252	193	197	208	11
23 Rent, communications, and utilities					
23.1 Rental payments to GSA	3,345	2,780	3,295	3,715	420
23.2 Rental payments to others	0	0	0	0	0
23.3 Communications, utilities, and misc. charges	1,331	1,373	1,533	1,582	49
24 Printing and reproduction	18	6	6	11	5
25 Other contractual services					
25.1 Advisory and assistance services	1,943	1,436	1,477	1,477	0
25.2 Other services from non-federal sources	8,210	4,269	4,288	4,538	250
25.3 Other goods and services from federal sources	20,550	14,268	11,846	13,590	1,744
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	1,263	1,060	1,099	1,550	451
31 Equipment	1,208	1,308	1,360	1,795	435
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 <b>Total obligations</b>	78,270	73,670	75,979	83,318	7,339

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

<b>Object Class</b>		FY 2021 Actual	FY 2022 CR Annualized	FY 2023 Base	FY 2023 Estimate	Increase/Decrease from FY 2023 Base
11.1	Full-time permanent compensation	46,932	56,671	61,322	75,046	13,724
11.3	Other than full-time permanent	258	573	590	590	0
11.5	Other personnel compensation	4,242	5,076	5,645	6,101	456
11.8	Special personal services payments	0	0	0	0	0
11.9	<b>Total personnel compensation</b>	<b>51,432</b>	<b>62,320</b>	<b>67,557</b>	<b>81,737</b>	<b>14,180</b>
12.1	Civilian personnel benefits	21,141	24,472	27,060	32,759	5,700
13	Benefits for former personnel	17	21	21	21	0
21	Travel and transportation of persons	811	785	803	1,855	1,052
22	Transportation of things	261	195	203	304	101
23	Rent, communications, and utilities					
23.1	Rental payments to GSA	6,723	5,588	6,623	13,745	7,122
23.2	Rental payments to others	0	0	0	0	0
23.3	Communications, utilities, and misc. charges	2,554	2,978	3,300	4,196	896
24	Printing and reproduction	30	15	15	937	922
25	Other contractual services					
25.1	Advisory and assistance services	8,508	4,354	4,437	4,437	0
25.2	Other services from non-Federal sources	12,104	9,094	9,132	23,944	14,812
25.3	Other goods and services from Federal sources	35,191	25,119	22,678	28,477	5,799
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	2,025	1,986	2,064	2,986	922

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31	Equipment	2,424	2,632	2,736	4,140	1,404
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	4	8	8	8	0
44	Refunds	0	0	0	0	0
99.9	<b>Total obligations</b>	<b>143,225</b>	<b>139,567</b>	<b>146,637</b>	<b>199,547</b>	<b>52,910</b>
	Less prior year recoveries	(9,180)	(5,000)	0	0	0
	Less prior year unobligated balance, start of year	(2,612)	(1,567)	0	0	0
	Plus prior year unobligated balance, end of year	1,567	0	0	0	0
	<b>Total Budget Authority</b>	<b>133,000</b>	<b>133,000</b>	<b>146,637</b>	<b>199,547</b>	<b>52,910</b>
Personnel Data						
Full-time Equivalent Employment						
	Full-time permanent	363	445	445	553	108
	Other than full-time permanent	3	3	3	3	0
	<b>Total</b>	<b>366</b>	<b>448</b>	<b>448</b>	<b>556</b>	<b>108</b>
Authorized Positions:						
	Full-time permanent	389	443	443	588	145
	Other than full-time permanent	5	5	5	5	0
	<b>Total</b>	<b>394</b>	<b>448</b>	<b>448</b>	<b>593</b>	<b>145</b>

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

<b>Object Class</b>		FY 2021 Actual	FY 2022 CR Annualized	FY 2023 Base	FY 2023 Estimate	Increase/Decrease from FY 2023 Base
11.1	Full-time permanent compensation	1,464	2,238	2,422	13,176	10,754
11.3	Other than full-time permanent	0	0	0	0	0
11.5	Other personnel compensation	18	58	58	105	47
11.8	Special personal services payments	0	0	0	0	0
11.9	<b>Total personnel compensation</b>	<b>1,482</b>	<b>2,296</b>	<b>2,480</b>	<b>13,281</b>	<b>10,801</b>
12.1	Civilian personnel benefits	420	636	725	4,938	4,213
13	Benefits for former personnel	4	0	0	0	0
21	Travel and transportation of persons	0	9	9	459	450
22	Transportation of things	1	0	0	3	3
23	Rent, communications, and utilities					
23.1	Rental payments to GSA	235	148	184	6,452	6,268
23.2	Rental payments to others	0	0	0	0	0
23.3	Communications, utilities, and misc. charges	85	70	81	879	798
24	Printing and reproduction	3	2	2	913	911
25	Other contractual services					
25.1	Advisory and assistance services	23	0	0	0	0
25.2	Other services from non-federal sources	217	381	381	8,767	8,386
25.3	Other goods and services from federal sources	1,107	797	661	4,148	3,487
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	69	64	66	362	296
31	Equipment	87	70	74	709	635

## Exhibit – 16A

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	<b>Total obligations</b>	<b>3,733</b>	<b>4,473</b>	<b>4,664</b>	<b>40,912</b>	<b>36,248</b>
	Less prior year recoveries	(249)	(210)	0	0	0
	Less prior year unobligated balance, start of year	(34)	(55)	0	0	0
	Plus prior year unobligated balance, end of year	758	0	0	0	0
	<b>Total Budget Authority</b>	<b>4,208</b>	<b>4,208</b>	<b>4,664</b>	<b>40,912</b>	<b>36,248</b>
Personnel Data						
Full-time Equivalent Employment						
	Full-time permanent	9	16	16	102	86
	Other than full-time permanent	0	0	0	0	0
	<b>Total</b>	<b>9</b>	<b>16</b>	<b>16</b>	<b>102</b>	<b>86</b>
Authorized Positions:						
	Full-time permanent	12	16	16	130	114
	Other than full-time permanent	0	0	0	0	0
	<b>Total</b>	<b>12</b>	<b>16</b>	<b>16</b>	<b>130</b>	<b>114</b>

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

<b>Object Class</b>		<b>FY 2021</b> Actual	<b>FY 2022</b> CR Annualized	<b>FY 2023</b> Base	<b>FY 2023</b> Estimate	<b>Increase/Decrease</b> from FY 2023 Base
11.1	Full-time permanent compensation	22,840	27,250	29,698	30,270	572
11.3	Other than full-time permanent	96	403	403	403	0
11.5	Other personnel compensation	529	626	626	626	0
11.8	Special personal services payments	0	0	0	0	0
11.9	<b>Total personnel compensation</b>	<b>23,465</b>	<b>28,279</b>	<b>30,727</b>	<b>31,299</b>	<b>572</b>
12.1	Civilian personnel benefits	7,865	9,233	10,444	10,627	183
13	Benefits for former personnel	7	13	13	13	0
21	Travel and transportation of persons	10	157	166	236	70
22	Transportation of things	8	2	6	92	86
23	Rent, communications, and utilities					
23.1	Rental payments to GSA	3,143	2,660	3,144	3,522	378
23.2	Rental payments to others	0	0	0	0	0
23.3	Communications, utilities, and misc. charges	1,138	1,535	1,686	1,729	43
24	Printing and reproduction	9	7	7	12	5
25	Other contractual services					
25.1	Advisory and assistance services	6,542	2,918	2,960	2,960	0
25.2	Other services from non-federal sources	3,677	4,444	4,463	8,888	4,425
25.3	Other goods and services from federal sources	13,534	10,054	10,171	11,441	1,270
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	693	862	899	1,014	115

## Exhibit – 16A

31	Equipment	1,129	1,254	1,302	1,578	276
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	6	6	6	0
44	Refunds	0	0	0	0	0
99.9	<b>Total obligations</b>	<b>61,222</b>	<b>61,424</b>	<b>65,994</b>	<b>73,417</b>	<b>7,423</b>
	Less prior year recoveries	(1,323)	(916)	0	0	0
	Less prior year unobligated balance, start of year	(459)	(733)	0	0	0
	Plus prior year unobligated balance, end of year	335	0	0	0	0
	<b>Total Budget Authority</b>	<b>59,775</b>	<b>59,775</b>	<b>65,994</b>	<b>73,417</b>	<b>7,423</b>
Personnel Data						
Full-time Equivalent Employment						
	Full-time permanent	170	207	207	212	5
	Other than full-time permanent	2	2	2	2	0
	<b>Total</b>	<b>172</b>	<b>209</b>	<b>209</b>	<b>214</b>	<b>5</b>
Authorized Positions:						
	Full-time permanent	182	206	206	213	7
	Other than full-time permanent	3	3	3	3	0
	<b>Total</b>	<b>185</b>	<b>209</b>	<b>209</b>	<b>216</b>	<b>7</b>

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

<b>Object Class</b>		FY 2021 Actual	FY 2022 CR Annualized	FY 2023 Base	FY 2023 Estimate	Increase/Decrease from FY 2023 Base
11.1	Full-time permanent compensation	22,628	27,183	29,202	31,600	2,398
11.3	Other than full-time permanent	162	170	187	187	0
11.5	Other personnel compensation	3,695	4,392	4,961	5,370	409
11.8	Special personal services payments	0	0	0	0	0
11.9	<b>Total personnel compensation</b>	<b>26,485</b>	<b>31,745</b>	<b>34,350</b>	<b>37,157</b>	<b>2,807</b>
12.1	Civilian personnel benefits	12,856	14,603	15,891	17,195	1,304
13	Benefits for former personnel	6	8	8	8	0
21	Travel and transportation of persons	801	619	627	1,159	532
22	Transportation of things	252	193	197	209	12
23	Rent, communications, and utilities					
23.1	Rental payments to GSA	3,345	2,780	3,295	3,771	476
23.2	Rental payments to others	0	0	0	0	0
23.3	Communications, utilities, and misc. charges	1,331	1,373	1,533	1,588	55
24	Printing and reproduction	18	6	6	12	6
25	Other contractual services					
25.1	Advisory and assistance services	1,943	1,436	1,477	1,477	0
25.2	Other services from non-federal sources	8,210	4,269	4,288	6,289	2,001
25.3	Other goods and services from federal sources	20,550	14,268	11,846	12,888	1,042
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	1,263	1,060	1,099	1,610	511

Exhibit – 16A

31	Equipment	1,208	1,308	1,360	1,853	493
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	<b>Total obligations</b>	<b>78,270</b>	<b>73,670</b>	<b>75,979</b>	<b>85,218</b>	<b>9,239</b>
	Less prior year recoveries	(7,607)	(3,874)	0	0	0
	Less prior year unobligated balance, start of year	(2,119)	(779)	0	0	0
	Plus prior year unobligated balance, end of year	473	0	0	0	0
	<b>Total Budget Authority</b>	<b>69,017</b>	<b>69,017</b>	<b>75,979</b>	<b>85,218</b>	<b>9,239</b>
Personnel Data						
Full-time Equivalent Employment						
	Full-time permanent	184	222	222	239	17
	Other than full-time permanent	1	1	1	1	0
	<b>Total</b>	<b>185</b>	<b>223</b>	<b>223</b>	<b>240</b>	<b>17</b>
Authorized Positions:						
	Full-time permanent	195	221	221	245	24
	Other than full-time permanent	2	2	2	2	0
	<b>Total</b>	<b>197</b>	<b>223</b>	<b>223</b>	<b>247</b>	<b>24</b>

**Department of Commerce  
BUREAU OF INDUSTRY AND SECURITY  
Operations and Administration  
Appropriation Language and Code Citations**

**1. "For necessary expenses 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 citizens of the United States 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 . section 2672 of Title 28, United States Code, 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 expenses 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 ( subtitle B of title XVII of the John S. McCain National Defense Authorization Act for Fiscal Year 2019; Public Law 115-232; 132 Stat. 2208; 50 U.S.C. 4801 et seq.), and as authorized by section 1(b) of the Act of June 15, 1917 (40 Stat. 223; 22 U.S.C. 401(b)); and”**

50 U.S.C. 482022 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 2021 Actual	FY 2022 CR Annualized	FY 2023 Estimate
Consulting Services	8,508	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
<b>Total</b>	<b>8,508</b>	<b>4,354</b>	<b>4,437</b>

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

	FY 2021 Actual	FY 2022 CR Annualized	FY 2023 Estimate
Periodicals	536	547	558
Pamphlets	0	0	0
Audiovisuals	0	0	0
<b>Total</b>	<b>536</b>	<b>547</b>	<b>558</b>

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 2021 Actual	FY 2022 CR Annualized	FY 2023 Estimate
Average ES Level	3	3	3
Average GS/GM Grade	13-05	13-05	13-06
Average GS/GM Salary	119	123	129

**Department of Commerce  
BUREAU OF INDUSTRY AND SECURITY  
Operations and Administration  
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."

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

**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.

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 15, 2020
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.
Target Implementation Date	Delayed. TBD in the Action Plan for GAO-22-104564 (due June 2022)
Closure Request Pending with GAO (Yes/No)	No
Clear Budget Implications (Yes/No)	Yes

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 15, 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.
Target Implementation Date	Delayed to June 30, 2022.
Closure Request Pending with GAO (Yes/No)	No
Clear Budget Implications (Yes/No)	Yes

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 15, 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.

Target Implementation Date	Delayed to March 30, 2022
Closure Request Pending with GAO (Yes/No)	No
Clear Budget Implications (Yes/No)	No

**(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.

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.a
Recommendation	Require an Objector that indicates it has Confidential Business Information (CBI) to provide a public summary of the CBI in its Objection Form.
Target Implementation Date	Delayed to May 31, 2022
Reason No Final Action Taken or Action Not Recommended Taken	The Section 232 NOI was released on the 10 <sup>th</sup> of February in the Federal Register which includes the requirement to provide a public summary of the CBI in its Objection Form.
Closure Request Pending (Yes/No)	No

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.b
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.
Target Implementation Date	Completed in August 2020.
Reason No Final Action Taken or Action Not Recommended Taken	BIS is working on obtaining close-out documentation so this recommendation can be closed out by the OIG.
Closure Request Pending (Yes/No)	No

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.c
Recommendation	Protect spreadsheets that are used to track Decision Memoranda from unauthorized changes.
Target Implementation Date	Completed in June 2020.
Reason No Final Action Taken or Action Not Recommended Taken	BIS is working on obtaining close-out documentation so this recommendation can be closed out by the OIG.
Closure Request Pending (Yes/No)	No

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.b
Recommendation	Ensure subject matter experts are able to obtain the appropriate information needed to make an informed decision regarding the U.S. availability of a product

Target Implementation Date	Action #3 is completed. Action #1 and #2 to be completed by June 2022. Action #4 may not be feasible at this time.
Reason No Final Action Taken or Action Not Recommended Taken	<p>BIS had planned to help close out ITA's Recommendation to "seek additional outreach" by BIS to both Requestors and Objectors to "remind them of the necessity to provide all necessary evidence and explanation to allow for a complete evaluation by the Department". We had offered these four items as a menu of options, but we ended up owning a requirement to complete all of them. Those four items are the following below:</p> <ol style="list-style-type: none"> <li>1. Add an additional explanation to the instructions in the 232 Exclusions Portal</li> <li>2. Include a notice (caution) to companies as part of BIS' explanation for exclusions and objections rejected during pre-screening</li> <li>3. BIS to send a blast email to all users on its mailing list</li> <li>4. Update BIS Section 232 training videos to amplify the message</li> </ol> <p>As a status update (December 10, 2021), BIS has completed Action #3 with a blast email that went out regarding the 4<sup>th</sup> IFR in June 2020. Actions #1, #2, and #4 are still pending with BIS.</p> <p>Action #1 is predicated upon the completion of the 232 Exclusions Portal Memorandum of Understanding, which is currently slated to be completed by February 2021 although the timeline may shift to the right based on our latest Portal Enhancement Meetings with TSI (ITA OCIO).</p> <p>Action #2 is possible now and we can move to draft a new rejection email template to meet the requirement and show further movement.</p> <p>Action #4 would require funding, which is tied to the budget. We do not know whether we have the intent or ability to update the training videos.</p>
Closure Request Pending (Yes/No)	No

#### **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.

**Department of Commerce  
BUREAU OF INDUSTRY AND SECURITY  
Operations and Administration  
BUREAU OF INDUSTRY AND SECURITY (BIS)  
Annual Performance Plan/Report Backup**

**Overview of Bureau Accomplishments**

In FY 2021, BIS supported two industrial base surveys:

- BIS deployed Wave II of the Air Force Supply Chain Network survey to approximately 1,500 companies. These 1,500 Wave II companies were identified as suppliers and customers of Air Force prime contractors from Wave I. This survey will evaluate the overall health and competitiveness of the Air Force supply chain network and characterize the industrial ecosystem behind the maintenance, repair, and overhaul of platforms serviced by the Air Force Sustainment Center.
- BIS surveyed approximately 400 companies in support of its National Security Assessment on the Use of Select Software in Information and Communications Technology (ICT). The principal goal of this effort was to gain a comprehensive understanding of the broad ICT supply chain network and its use of select software in private, public, and federal information networks.

In FY 2021, BIS supported multiple Executive Orders and directives:

- As designated co-lead with the Department of Defense, BIS was responsible for establishing the Titanium Sponge Working Group (TSWG). The working group's primary objective was for the interagency to agree on measures to ensure access to titanium sponge domestically for use for national defense and critical infrastructure purposes. The TSWG produced a report and detailed recommendations to support their objective.
- In response to Executive Order 13944, *Ensuring Essential Medicines, Medical Countermeasures, and Critical Inputs*, BIS produced a report describing changes in the status of the Public Health Industrial Base and recommending initiatives to strengthen the Public Health Industrial Base. The PHIB report including a literature review of 63 relevant and verified publications, Census Bureau survey information, import and export data based on North American Industry Classification System (NAICS) codes, as well as a total of 48 public comments received from U.S. and foreign business, industry associations, and individuals in response.
- In support of Executive Order 14017, *Securing America's Supply Chains*, BIS completed a 100-day assessment of the semiconductor manufacturing and advanced packaging sector. This report examined the semiconductor supply chain through five related essential segments: (1) design; (2) fabrication; (3) assembly, test, and packaging (ATP) and advanced packaging; (4) materials; and (5) manufacturing equipment.

In FY 2021, 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 Implementation of Certain New Controls on Emerging Technologies Agreed at the Wassenaar Arrangement's 2019 Plenary;
- Revisions of the Export Enforcement Provisions of the Export Administration Regulations (EAR) to Implement the Enforcement Portions of the Export Control Reform Act of 2018;
- The Addition of 'Military End User' (MEU) List to the EAR and Addition of Entities to the MEU List;
- Burma: Implementation of Sanctions; Russia: Implementation of Chemical and Biological Weapons Control and Warfare Elimination Act of 1991 (CBW Act) Sanctions;
- The Removal of Hong Kong as a Separate Destination Under the EAR; and
- The Addition of 161 Entities to the Entity List.

In FY 2021, using the codified authorities under the Export Control Reform Act (ECRA), BIS levied more than \$2.74 million in criminal fines, \$2 million in forfeitures, \$8,567,913 in administrative penalties, and 717 months 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 its targets for most indicators. FY 2022 and FY 2023 targets are set based on the ability to meet the foreseeable shifts in export administration and enforcement, such as new opportunities within Export Control Reform Act (ECRA). BIS anticipates incremental increases in most of its targets related to national security activities and funding levels appropriate for success in meeting such increases.

Fluctuating travel restrictions implemented due to the COVID-19 pandemic impeded the scheduling and completion of end-use checks. However, BIS was able to exceed its adjusted target in FY 2021. BIS adjusted its target for end-use checks throughout FY 2022 and FY 2023 to reflect continued uncertainty regarding the duration of these pandemic-related travel restrictions.

BIS was unable to meet its target for the median processing time for new regime regulations. This was the result of changes made to the process of reviewing amendments to these regulations, which took place in the time since the initial target estimate was established. Specifically, the Office of Information and Regulatory Affairs (OIRA), part of Office of Management and Budget (OMB), determined that BIS's regime rules are significant regulatory actions. As a result of this determination, interagency review is now handled by OIRA, not by BIS. Additionally, prior to being referred to OIRA, regime rules must go through further internal review as well. These changes contributed to the increased amount of time necessary to prepare new and amended regime regulations.

BIS uses systems, work logs, and management reviews to track, verify, and assess performance across the Bureau. 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 to support year-end congressional reports.

### **Planned Actions for FY 2023**

BIS will continue to make every effort to meet the diverse and changing challenges of export controls while maintaining high standards for the quality and timeliness of our work and our availability to the public. We anticipate the publication of controls on additional emerging and foundational technologies, additions to the Entity List and the Unverified List and the continuing expansion of the Export Administration Regulations' (EAR) end-use and end-user controls, as well as focused efforts to engage with and educate the exporting community. Additionally, BIS will continue to make use of all available tools to investigate violations of the EAR.

However, the ability to quickly fill personnel vacancies with qualified personnel and to onboard personnel will impact the progress of the SO's, as capacity to conduct/meet indicators will be reduced until new personnel, especially those hired to fill newly-created FTEs, are brought on board. BIS's ability may also continue to be 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 in-person outreach, end-use checks, and investigative actions.

**Performance Indicators**

Class	Performance Indicator	FY 2017 Actual	FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2021 Target	FY 2021 Status	FY 2022 Target	FY 2023 Target	Explanation of historical data changes
Current/Recurring	Number of industrial base surveys, data, and analysis distributed to federal agencies and critical sector	3	3	3	7	6	2	Exceeded	3	3	
Current/Recurring	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	1,832	1,777	1,802	1,667	2,018	1,600	Exceeded	1,600	1,600	
Current/Recurring	Number of export transactions completed under the new authority of Commerce export licenses and license exceptions	137,281	164,385	157,287	150,083	155,841	150,000	Exceeded	150,000	150,000	
Current/Recurring	Percent of licenses requiring interagency referral referred within nine days	94%	93%	91%	92%	92%	98%	Met	98%	98%	
Current/Recurring	Percent of attendees rating seminars highly	94%	89%	96%	93%	94%	93%	Exceeded	93%	93%	
Current/Recurring	Median processing time for new regime regulations (months)	1	1	2	6	4	2	Not Met	2	2	BIS was unable to meet its target for the median processing time for new regime regulations. This was the result of changes made to the process of reviewing amendments to these regulations, which took place in the time since the initial target estimate was established.

# APPR Performance Plan and Report Backup

Current/Recurring	Percent of declarations received from U.S. industry in accordance with CWC timelines that are processed in time for the U.S. to meet treaty obligations.	100%	100%	100%	95%	100%	100%	Met	100%	100%	
Current/Recurring	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%	Met	99%	99%	
Current/Recurring	Number of exporters educated and trained through outreach activities related to 500 and 600 Series Controls	28,000	27,997	24,000	60,511	64,528	25,000	Exceeded	25,000	25,000	
Current/Recurring	Percent of licenses requiring Information Triage Unit report completed by Export Enforcement within ten Executive Order days of referral	96%	88%	94%	93%	94%	90%	Exceeded	90%	90%	
Current/Recurring	Number of end-use checks completed	1,089	1,042	1,171	987	1030	830	Exceeded	830	830	Travel restrictions implemented due to the COVID-19 pandemic have impeded the scheduling and completion of end-use checks. This has reduced BIS end-use check in FY 2021 below initial target number estimates. Additionally, BIS has adjusted its targets for FY 2022 and FY 2023 due to continued uncertainty regarding the duration of pandemic related travel restrictions.

Proposed New	Number of external stakeholders engaged with the aim of increasing diversity among U.S. exporters								N/A	TBD	TBD	
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