



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

Fiscal Year 2025 President's Budget Request

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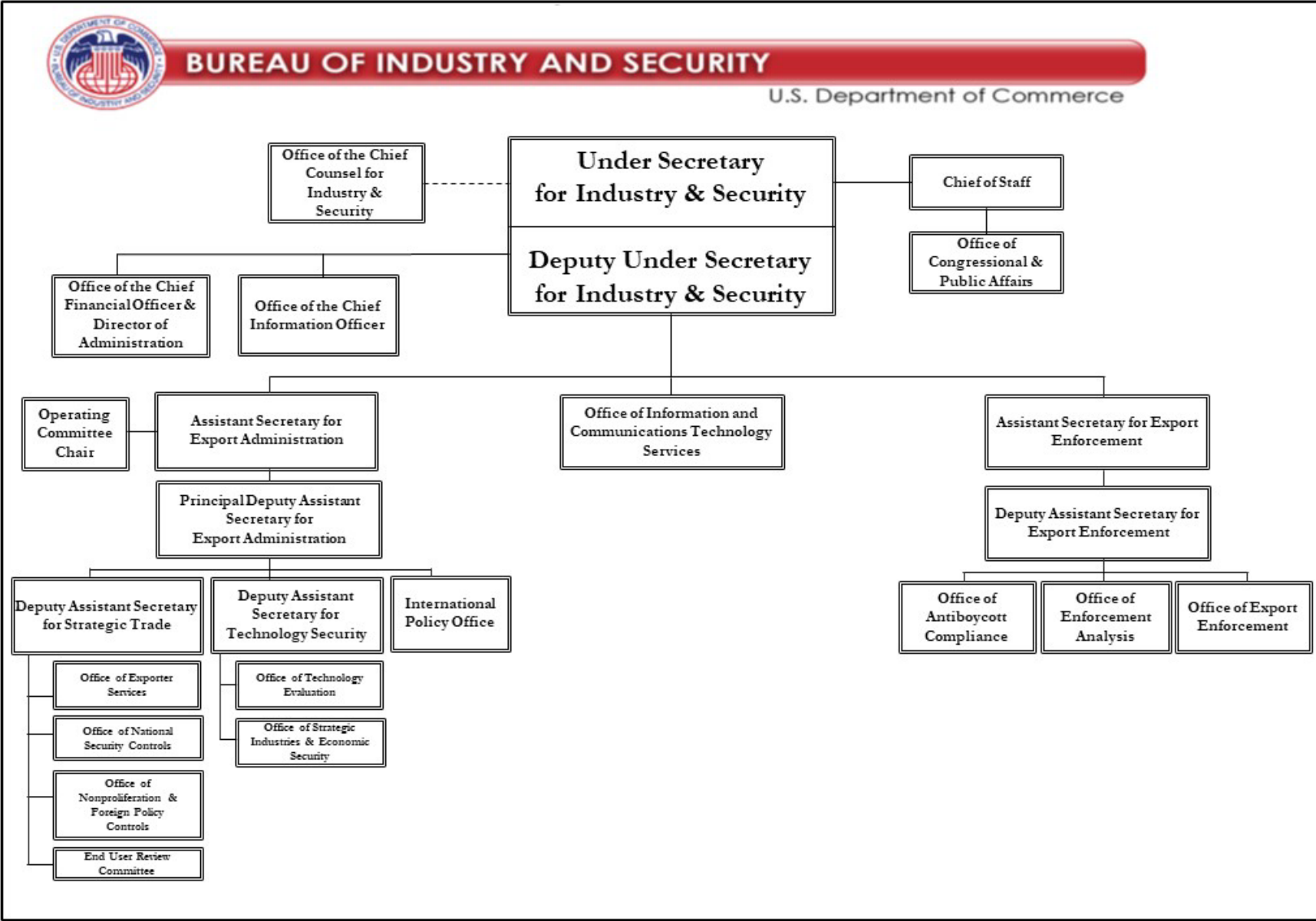
Department of Commerce
BUREAU OF INDUSTRY AND SECURITY
Budget Estimates, Fiscal Year 2025
President’s Budget Request
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Organizational Chart – Updated January 2024



**Department of Commerce
Bureau of Industry and Security
Budget Estimates, Fiscal Year 2025
Executive Summary**

In FY 2025, the Bureau of Industry and Security (BIS) will continue to execute on its mission to safeguard U.S. national security. BIS will continue working to prevent the unauthorized use of U.S. technologies for purposes contrary to American interests by ensuring an effective export control and treaty compliance system and by promoting continued U.S. strategic technology leadership. BIS will continue its engagements with international and interagency partners to enhance the application and enforcement of export controls, implement changes from the multilateral export control regimes in an expeditious manner, and administer an efficient export licensing system.

BIS asserts itself as a critical force in advancing key national security and foreign priorities of the U.S. Government by prioritizing export controls and enforcement against violators in countries of national security concern, including China, Russia, and Iran. Foreign adversaries continue to develop methods of obtaining U.S. items and services to advance their own national security policies, including improving their military capabilities, developing weapons of mass destruction, enabling human rights abuses, and assaulting the national sovereignty of their neighbors. BIS will continue to play the lead role in the U.S. Government's initiative to strengthen export control policies through identification and deterrence of foreign actors misusing U.S. technologies, thoroughly investigating any violations of export controls, and taking strong enforcement actions.

As such, BIS requests an FY 2025 appropriation for discretionary spending totaling \$223.392 million and 611 positions to meet these mission goals. This request continues work in important critical U.S. national security functions, while simultaneously finding efficiencies between new mission capabilities and mission support investments. BIS will expand upon its investments in plurilateral and bilateral cooperation with allies and likeminded countries, specific to export control policy and enforcement, including through placement of additional Export Control Officers (ECOs) abroad, while leveraging integrated analytic capabilities and supporting data tools to illuminate complex relationships amongst entities conducting technology export transactions. This collaboration of information-sharing and detection will result in more proactive investigations of potential violations and aggressive use of regulatory actions (e.g., the Entity List) and enforcement outcomes to prevent and deter violators. To support these efforts, the BIS request includes \$4 million to invest in critical technical expertise on technologies, markets and trade; \$8.0 million and eight positions to further the capabilities in the area of international export control policy; \$8.0 million and six positions to maintain an ECO presence in Finland and Taiwan, as well as expand ECO positions in Central and South America; \$3.5 million and four positions to support more efficient dissemination of information within BIS's current IT infrastructure in a timely manner; and \$8.892 million and 10 positions to secure the safety and trustworthiness of artificial intelligence technologies as required under Executive Order 14110.

In recent years, BIS has 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 as well as measures to counter the evolving national security threats presented by China. In FY 2025, BIS will continue to evaluate, refine, and, where appropriate, bolster these

efforts, as well as exercise other BIS current export control authorities to facilitate enforcement outcomes. These regulatory actions include:

- ❖ Continuing/expanding the end-use and end-user-related export controls to counter rapidly changing and specific threats in the continually evolving global landscape.
- ❖ Addressing the acute threat posed by China’s military modernization.
- ❖ Prioritizing review of emerging technologies, such as quantum computing, biotechnology, and artificial intelligence.
- ❖ Continuously and proactively reviewing and updating export controls and policies, relying on open-source, business proprietary, academic, and classified information.
- ❖ 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.
- ❖ Revising controls to better ensure U.S.-origin items are not used to enable human rights abuses.
- ❖ Implementing and facilitating bilateral and multilateral export controls on additional cyber surveillance tools.
- ❖ 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.
- ❖ Working to address concerns to U.S. national security and foreign policy interests presented by the risk of diversion of U.S. firearms and related items.

Adjustments:

Inflationary Adjustments

The FY 2025 Base includes an increase of \$18.225 million to account for the full funding requirement for inflationary adjustments to current programs for its activities. This includes the estimated CY 2025 civilian pay raise of 2.0% 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).

Technical Adjustment

The FY 2025 President’s Budget Request does not include any discretionary to discretionary, one-time technical adjustments (transfers).

Functional Category (dollar amounts in millions):

	FY 2023 Actual	FY 2024 CR Annualized	FY 2025 Estimate
054 Defense Related Activities:	\$123.011	\$117.403	\$148.817
376 Other Advancement of Commerce:	\$67.989	\$73.597	\$74.575
Total:	\$191.000	\$191.000	\$223.392

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

	FY 2023 Actual	FY 2024 CR Annualized	FY 2025 Estimate
Management and Policy Coordination	\$26.943	\$27.640	\$37.639
Export Administration	\$37.561	\$35.055	\$45.624
Export Enforcement	\$58.507	\$54.708	\$65.554
Total BIS 054 Funding	\$123.011	\$117.403	\$148.817

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 054 allocation for the Bureau of Industry and Security was \$123.011 million for FY 2023 and is \$117.403 million for FY 2024, based on the CR annualized level. In FY 2025, the 054 allocation estimate is \$148.817 million, an increase of \$31.414 million for additional investments in areas that are in direct support of the national defense programs.

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.

Directly attributable to this increase in jurisdiction over items subject to the Export Administration Regulations (EAR), BIS has experienced significant increases in investigative leads and cases related to potential export violations. Consistent with national security

priorities, BIS prioritizes its enforcement activities on cases relating to nation-state actors and their illicit acquisition of items supporting Weapons of Mass Destruction (WMD) destabilizing military modernization programs, as well as human rights abuses. A critical element of BIS’ efforts involves the conduct of end-use checks overseas to evaluate the bona fides of foreign parties to EAR transactions and identify diversionary actors, as well as liaison with partner governments to strengthen export enforcement cooperation.

054 Defense-related activities		<i>(\$ millions)</i>
1	Overseas Enforcement.....	\$9.984
2	Export Enforcement.....	\$55.570
3	National Security and Technology Transfer Control.....	\$9.351
4	Chemical Weapons Convention.....	\$5.274
5	Technology Evaluation*.....	\$54.683
6	Nonproliferation and Treaty Compliance.....	\$7.205
7	Non-CFIUS portion of Strategic Industries and Economic Security.....	\$6.750
BIS 054 total for FY 2025		\$148.817

**The numbers above reflect only the 054 Defense-related activities portion of BIS budget authority, of which \$7.516 million will contribute to mission support activities. The FY 2025 President’s Budget requests a total BIS budget authority of \$223.392 million.*

Department of Commerce
BUREAU OF INDUSTRY AND SECURITY
FY 2025 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
55	Operations and Administration	Export Administration	International Export Control Policy Analysis and Engagement	8	\$8,000
86	Operations and Administration	Export Enforcement	Enabling Enforcement Effectiveness	6	\$8,000
64	Operations and Administration	Export Administration	EA Implementation of Artificial Intelligence E.O. 14110	3	\$5,605
24	Operations and Administration	Management and Policy Coordination	Technical Expertise on Technologies, Markets, and Trade	0	\$4,000
30	Operations and Administration	Management and Policy Coordination	ICTS Implementation of Artificial Intelligence E.O. 14110	7	\$3,287
93	Operations and Administration	Export Enforcement	BIS Systems Modernization	1	\$1,742
69	Operations and Administration	Export Administration	BIS Systems Modernization	1	\$1,636
27	Operations and Administration	Management and Policy Coordination	BIS Systems Modernization	0	\$122
Subtotal, Increases				26	\$32,392

Decreases

Page No.	Appropriation	Budget Program	Title of Decrease	Positions	Budget Authority
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36	Operations and Administration	Management and Policy Coordination	IT and Telecommunications Contract Support and Agreements Reduction	0	(\$184)
74	Operations and Administration	Export Administration	IT and Telecommunications Contract Support and Agreements Reduction	0	(\$2,455)
98	Operations and Administration	Export Enforcement	IT and Telecommunications Contract Support and Agreements Reduction	0	(\$2,612)
61	Operations and Administration	Export Administration	Defense Production Act (DPA) Industrial Studies Reduction	0	(\$3,944)
40	Operations and Administration	Management and Policy Coordination	Planned ICTS SCIF and Contract Support Reduction	0	(\$9,031)
Subtotal, Decreases				0	(\$18,225)

Terminations

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

Subtotal, Terminations

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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						
2024			585	556	191,000	206,459						
Less: Estimated Recoveries, 2024						(5,150)						
Less: Unobligated balance, start of year, 2024						(10,309)						
Plus: Unobligated balance, end of year, 2024						0						
2025 Adjustments to Base												
Plus: Inflationary adjustments to base			0	29	18,225	18,225						
2025 Base			585	585	209,225	209,225						
Plus: 2025 Program changes			26	19	14,167	14,167						
2025 Estimate			611	604	223,392	223,392						
Comparison by:												
activity/subactivity												
with totals by activity												
			FY 2023 Actual	FY 2024 CR Annualized		FY 2025 Base	FY 2025 Estimate	Increase/Decrease from FY 2025 Base				
			Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount		
BIS	Management and	Pos./BA	120	30,857	120	30,853	120	35,583	127	33,778	7	(1,805)
17	Policy Coordination	FTE/Obl.	21	25,567	100	31,394	120	35,583	125	33,778	5	(1,805)
BIS	Export	Pos./BA	218	74,365	218	74,161	218	80,162	230	89,004	12	8,842
44	Administration	FTE/Obl.	191	74,585	216	81,388	218	80,162	227	89,004	9	8,842
BIS	Export	Pos./BA	247	85,778	247	85,986	247	93,480	254	100,610	7	7,130
78	Enforcement	FTE/Obl.	203	87,756	240	93,677	247	93,480	252	100,610	5	7,130
Total			585	191,000	585	191,000	585	209,225	611	223,392	26	14,167
			415	187,908	556	206,459	585	209,225	604	223,392	19	14,167
Adjustments for:												
Recoveries				(6,404)		(5,150)						
Unobligated balance, start of year				(1,889)		(10,309)						
Unobligated balance transferred				0								
Unobligated balance, end of year				10,309								
Unobligated balance expiring				1,076								
Financing from transfers:												
Transfer from other accounts (-)												
Transfer to other accounts (+)												
Appropriation				191,000		191,000		209,225		223,392		14,167

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

Comparison by activity:		FY 2023		FY 2024		FY 2025		FY 2025		Increase/Decrease	
		Actual		CR Annualized		Base		Estimate		from FY 2025 Base	
		FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
Management and	Pos./BA	0	49	0	49	0	49	0	49	0	0
Policy Coordination	FTE/Obl.	0	198	0	149	0	149	0	149	0	0
Export	Pos./BA	6	2,467	6	2,467	6	2,467	6	2,467	0	0
Administration	FTE/Obl.	6	3,046	6	2,287	6	2,287	6	2,287	0	0
Export	Pos./BA	0	39	0	39	0	39	0	39	0	0
Enforcement	FTE/Obl.	0	159	0	120	0	120	0	120	0	0
Total	Pos./BA	6	2,555	6	2,555	6	2,555	6	2,555	0	0
	FTE/Obl.	6	3,403	6	2,555	6	2,555	6	2,555	0	0
Adjustments to Obligations											
Recoveries											
Unobligated balance, start of year		(4,293)		(3,445)		(3,445)		(3,445)			
Unobligated balance, rescission											
Unobligated balance, end of year		3,445		3,445		3,445		3,445			
Unobligated balance expiring											
Reimbursable Authority		2,555		2,555		2,555		2,555		0	

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

	FY 2023 Actual	FY 2024 CR Annualized	FY 2025 Base	FY 2025 Estimate	Increase/Decrease from FY 2025 Base
Total Obligations	191,311	209,014	211,780	225,947	14,167
Offsetting collections from:					
Federal funds	(843)	(843)	(843)	(843)	0
Trust funds	(1,712)	(1,712)	(1,712)	(1,712)	0
Non-Federal sources	0	0	0	0	0
Recoveries	(6,404)	(5,150)	0	0	0
Unobligated balance, start of year	(6,182)	(13,754)	(3,445)	(3,445)	0
Unobligated balance transferred	0	0	0	0	0
Unobligated balance, end of year	13,754	3,445	3,445	3,445	0
Unobligated balance expiring	1,076	0	0	0	
Budget Authority	191,000	191,000	209,225	223,392	14,167
Financing:					
Transfer from other accounts (-)	0	0	0	0	0
Transfer to other accounts (+)	0	0	0	0	0
Appropriation	191,000	191,000	209,225	223,392	14,167

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

	Positions	Amount
Adjustment:	0	-
Other Changes:		
2024 Pay raise		1,577
2025 Pay raise		1,464
Awards		0
Full-year cost in 2025 of positions financed for part-year in 2023		5,417
Change in compensable days		0
Civil Service Retirement System (CSRS)		(40)
Federal Employees Retirement System (FERS)		151
Thrift Savings Plan		37
Federal Insurance Contribution Act (FICA) – OASDI		195
Health Insurance		134
Employees' Compensation Fund		(29)
Travel:		
Mileage		1
Per Diem		29
Rental payments to GSA		1,056
GSA Furniture and IT Program (FIT)		(331)
Working Capital Fund, Departmental Management		9,099
Cybersecurity (Non-Add in WCF)		[388]
National Archives and Records Administration (NARA)		1
General Pricing Level (GPL) Adjustment:		
Transportation of things		9
Communications, utilities, and miscellaneous charges		29
Printing and reproduction		28
Other Services		16
Export Control Officers (ECO) Operations		7
Supplies and materials		67
Equipment		54

Telecommunication Services - Enterprise Infrastructure Services (EIS)	(362)
Enterprise Services	(496)
Federal Protective Services	26
International Cooperative Administrative Support Services (ICASS)	49
Capital Security Cost Sharing Program (CSCSP/MCSP)	36
Subtotal, other changes	18,225
Total, adjustments to base	0
	18,225

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

Activity: Management and Policy Coordination

Line Item		FY 2023		FY 2024		FY 2025		FY 2025		Increase/Decrease	
		Actual		CR Annualized		Base		Estimate		from FY 2025 Base	
		Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount
Management and Policy Coordination	Pos./BA	120	30,857	120	30,853	120	35,583	127	33,778	7	(1,805)
	FTE/Obl	21	25,567	100	31,394	120	35,583	125	33,778	5	(1,805)
Total	Pos./BA	120	30,857	120	30,853	120	35,583	127	33,778	7	(1,805)
	FTE/Obl	21	25,567	100	31,394	120	35,583	125	33,778	5	(1,805)

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

Activity: Management and Policy Coordination

Line Item		FY 2023		FY 2024		FY 2025		FY 2025		Increase/Decrease	
		Actual		CR Annualized		Base		Estimate		from FY 2025 Base	
		Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount
Management and	Pos./BA	0	49	0	49	0	49	0	49	0	0
Policy Coordination	FTE/Obl	0	198	0	149	0	149	0	149	0	0
Total	Pos./BA	0	49	0	49	0	49	0	49	0	0
	FTE/Obl	0	198	0	149	0	149	0	149	0	0

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

Activity: Management & Policy Coordination

Goal Statement

Advance U.S. national security, foreign policy, and economic objectives by ensuring an effective export control and treaty compliance system, promoting continued U.S. strategic technology leadership, and protecting U.S. information and communications.

Base Program

Management & 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. MPC also houses the BIS Information and Communications Technology and Services (ICTS) program, which evaluates and addresses national security risks posed by ICTS transactions.

Statement of Operating Objectives

- Protect United States national, cyber, economic, and homeland security.
- Strengthen U.S. national and economic security and protect U.S. data and communications infrastructure by deterring and mitigating adversary nations' malicious activities.
- Enable the United States to maintain its military superiority by promoting a strong and vibrant defense industrial base capable of innovating and developing technologies second to none.
- Enable U.S. industry and the private sector to maintain its economic security and strengthen its superiority through technological, products and services advances.
- Partner with the private sector where possible, through public-private partnerships and market-based solutions.
- Collaborate with U.S. government agencies and departments, including the Departments of Defense, State, Homeland Security, Treasury, Justice, and Energy, as well as the General Service Administration, Federal Communications Commission, United States Trade Representative, the National Security Council, and the Intelligence Community.

Explanation and Justification

Line Item		2023		2024		2025	
		Actual		CR Annualized		Base	
		Personnel	Amount	Personnel	Amount	Personnel	Amount
Management and	Pos./BA	120	30,857	120	30,853	120	35,583
Policy Coordination	FTE/Obl.	21	26,567	100	31,394	120	35,583

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, the Federal Communications Commission, General Services Administration, and the National Security Council. Issues involve national and economic security, nonproliferation, export controls, strategic industries, the defense industrial base, and information and communications technology and services (ICTS).

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

- Prepare responses to inquiries from media and Congress as well as 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.
- ICTS reviews, investigates, and takes appropriate prohibitive/mitigation actions addressing foreign adversary ICTS transactions that pose undue or unacceptable risks to U.S. national and economic security, critical infrastructure, the digital economy, and safety and security of U.S. persons.

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 ICTS determinations, licensing, and enforcement decisions.

MPC houses the BIS Information and Communications Technology and Services (ICTS) program, with the operational mission to evaluate and address national security risks posed by ICTS transactions. The program addresses national security risks posed by ICTS transactions and enforces mitigation and/or prohibitions for a single entity or an ICTS class in the United States as committed under Title 15 of the Code of Federal Regulations. It correlates complex technical analyses and analyzes all-source intelligence and other information, to include cybersecurity threat concerns. This program carries out the operational duties that implement the rules and procedures to identify, assess, and address ICTS transactions that pose the undue or unacceptable risks as detailed above. It delivers on carrying out Executive Order (E.O.) 13873, Securing the Information and Communications Technology and Services Supply Chain, and demonstrates the President's commitment to the protection of the U.S. digital infrastructure. E.O. 13873 gives the Secretary of Commerce, in consultation with other relevant Federal agencies, authority to prohibit and/or mitigate transactions that involve ICTS designed, developed, manufactured, or supplied by persons owned by, controlled by, or subject to the jurisdiction or direction of a foreign adversary.

The BIS ICTS program reviews and addresses ICTS transactions that pose undue or unacceptable risks in the United States, which involves vetting and prioritizing referrals, compiling intelligence, and other information, and conducting investigations into transactions, performing risk-based analysis, and recommending mitigation measures and/or prohibitions to the Secretary of Commerce. The program consults with nine other Executive Branch agencies to assess undue or unacceptable ICTS risks and acts to deter malicious activity, protecting critical infrastructure, the digital economy, and sensitive U.S. persons data.

BIS ICTS also has authorities under E.O. 14034, Protecting Americans' Sensitive Data from Foreign Adversaries, to decide whether certain connected software applications designed, developed, manufactured, or supplied by persons affiliated with a foreign adversary should be a class of ICTS transaction to review under E.O. 13873. BIS sought comment on this in a Notice of Proposed Rulemaking in November 2021 and will issue a final rulemaking on the issue based on criteria that is clear to the regulated community.

Infrastructure as Service (IaaS), a program under the BIS ICTS program, encompasses compliance and enforcement through the Know-Your-Customer requirements stemming from E.O. 13984, *Taking Additional Steps To Address the National Emergency With Respect to Significant Malicious Cyber-Enabled Activities*, and enables BIS to ensure U.S. IaaS providers are implementing the relevant rules to

protect IaaS ICTS from adversaries' cyber threats (such as by requiring Customer Identification Programs [CIPs] from IaaS providers), as well as assisting the Secretary in any exemption determinations that may be made pertaining to IaaS providers. To implement Section 4.2(d) of E.O. 14110, *Safe, Secure, and Trustworthy Development and Use of Artificial Intelligence*, BIS has proposed procedures for U.S. providers to extend the above-mentioned CIP requirement to their foreign resellers. The program will establish liaisons who can interface with the intelligence and law enforcement communities 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.

Lastly, Section 4.2 (c) of E.O. 14110 also provides BIS with authority to require U.S. IaaS providers submit a report to BIS whenever a foreign person transacts with them to train a large AI model with potential capabilities that could be used in malicious cyber-enabled activity. This will require the BIS ICTS program to process reports from providers, evaluate the data for potential threats, and liaise with the proper intelligence and law enforcement agencies.

Significant Accomplishments of the ICTS Program to Date

- In March 2021, the ICTS program promulgated rules under Title 15 Code of Federal Regulations establishing the criteria and process by which the BIS ICTS program evaluates domestic transactions linked to foreign adversaries seeking to undermine our national and economic security.
- In March 2021, the ICTS program published an advanced notice of proposed rulemaking on Securing the Information and Communications Technology and Services Supply Chain Licensing Procedures.
- In March and April of 2021, the ICTS program served subpoenas and opened investigations into multiple Chinese companies providing information and communications technology services in the United States.
- In October 2021, as required under Executive Order 14034, the ICTS program submitted a report to the White House on recommendations to protect American's Sensitive Data from foreign adversaries.
- On November 24, 2021, the ICTS program published an advance notice of proposed rulemaking under IaaS from Executive Order 13984. This order provides authority to impose record-keeping obligations with respect to foreign transactions on "know your customer" regulations, to prevent malicious cyber behavior.
- On November 26, 2021, as required under Executive Order 14034, the ICTS program published a notice of proposed rulemaking to add the definition of connected software applications and accompanying criteria along with a process for the Secretary to determine whether to impose special measures or prohibitions on certain jurisdictions of parties to Title 15 Code of Federal Regulations.

- In June 2023, as required under E.O. 14034, the ICTS program published the final rule adding the definition of connected software applications and providing additional criteria that the Secretary may consider when determining whether ICTS transactions involving connected software applications present undue or unacceptable risks.
- In January 2024, the ICTS program published the notice of proposed rulemaking for the IaaS workstream, building on the November 2021 ANPRM. The NPRM incorporates Executive Branch and external stakeholder feedback to the ANPRM. As required by EO 14110, it also incorporates provisions on the reporting of AI training runs by foreign persons using U.S. ICTS products as well as to extend the know-your-customer requirement for foreign resellers of U.S. IaaS products.
- The ICTS program has enhanced BIS targeting priorities, coordinating with interagency partners, holding over 30 interagency working groups and industry discussions to address short and long-term goals, including discussion of regulatory approaches in ICTS classes of risk.
- Laying the foundation of the ICTS program, the office has set in place governance policies both internally and throughout the nine Government agencies that BIS consults with, per regulation. The office has established due process procedures for ICTS investigations on U.S. persons, established data protection standards to support the administrative records internal to Government actions, finalized an information sharing agreement and drafted two other Memoranda of Understanding between agencies to compliment analogous national security-focused programs throughout the interagency.
- In February 2024, the office created a new website platform and developed digital communication media to educate the public on future ICTS actions.
- Additionally, in February 2024, the office conducted market research, evaluated critical and emerging technologies and published an advance notice of proposed rulemaking (ANPRM) on transactions involving ICTS that are designed, developed, manufactured, or supplied by persons owned, controlled, or subject to the jurisdiction or direction of foreign adversaries, and that are integral to connected vehicles (CVs).

Department of Commerce
BUREAU OF INDUSTRY AND SECURITY
Salaries and Expenses
Program Changes for 2025, Technical Expertise on Technologies, Markets, and Trade
(Dollar amounts in thousands)

		FY 2025 Base		FY 2025 Estimate		Increase/Decrease from 2025 Base	
		Personnel	Amount	Personnel	Amount	Personnel	Amount
Management and Policy Coordination	Pos/BA	120	35,583	120	39,583	0	4,000
	FTE/Obl.	120	35,583	120	39,583	0	4,000

Technical Expertise on Technologies, Markets, and Trade (+\$4,000, 0 FTE/0 Positions) - This funding increase of \$4,000,000 will provide BIS with critical data fusion, analytic, and decision-making capabilities built upon deep, export specific data services, the Information and Communications Technology and Services program, the Defense Priorities and Allocations System Program, and the defense industrial base surveys. Leveraging existing Federal resources, this effort would integrate open source, proprietary, and intelligence data, with the extensive data the DOC has on licensing, exports, and enforcement actions to better address issues such as trans-shipping of American technology to China, Russia, and Iran. Modern tools including artificial intelligence and machine learning would vastly increase the data sources available for all BIS mission areas including licensing and enforcement. With the rapid rise and constant evolution of artificial intelligence, advanced semiconductor technology, quantum computing technology, and synthetic biology technologies, BIS would use this effort to incorporate cutting edge expertise and data curation abilities currently available from the private sector that exceeds BIS’s current capabilities which will enable existing Federal staff to quickly implement advanced queries with minimal effort. Finally, the modern analytics capabilities would enhance the ability to assess industrial relationships and evasive trade patterns and shell companies.

This funding will obtain integrated analytic capabilities and supporting data that will significantly enhance the ability of BIS to accomplish our mission. Included are over 250 deep-dives into organizations or industry sectors of interest, such as understanding the relationships between companies in transactions that are the subject of license applications, analyzing new startups that may be operating as front companies to bypass export controls, and reviewing companies operating in a certain industry segment to aid in use of the DPAS or in assessing the health of the industry for a defense industrial base survey. It also includes over 450 separate automated triggers, triggers that could activate and inform BIS analysts when, for example, AI chips shipments significantly increase to intermediate countries of concern for potential diversion. These triggers can be configured to inform BIS when transactions appear to violate export controls and require action. These capabilities will be based upon deep industry data on shipments, contracts, open source and Government data in a tightly fused and interrogatable format.

Operation and maintenance of data fusion projects with the National Security Agency (NSA) and MITRE will enable automated intelligence screening of all foreign party license applications and tailored analytics on large sets of data to identify violators. Further, funding for MITRE will concurrently increase the number of export transactions that can be reviewed for compliance concerns and utilized for agent operations to more efficiently conduct export investigations.

Performance Measures:	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Without requested program change	Typical query time to search for entities and groups of interest, while providing actionable shipment data, takes on average 59 hours to implement.	Typical query time to search for entities and groups of interest, while providing actionable shipment data, takes on average 59 hours to implement.	Typical query time to search for entities and groups of interest, while providing actionable shipment data, takes on average 59 hours to implement.	Typical query time to search for entities and groups of interest, while providing actionable shipment data, takes on average 59 hours to implement.	Typical query time to search for entities and groups of interest, while providing actionable shipment data, takes on average 59 hours to implement.
With requested program change	Average analyst query time would reduce to around 2 hours.	Average analyst query time would reduce to around 2 hours.	Average analyst query time would reduce to around 2 hours.	Average analyst query time would reduce to around 2 hours.	Average analyst query time would reduce to around 2 hours.
Outyear Cost:					
Direct Obligations:					
Uncapitalized	4,000	4,080	4,162	4,245	4,330
Budget Authority:					
Outlays	3,400	3,868	4,145	4,228	4,313
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
(Direct Obligations amounts in thousands)

Activity: Management and Policy Coordination

Object Class	FY 2023 Actual	FY 2024 CR Annualized	FY 2025 Base	FY 2025 Estimate	Increase/Decrease from FY 2025 Base
11.1 Full-time permanent compensation	2,973	10,330	14,238	14,238	0
11.3 Other than full-time permanent	-	0	0	0	0
11.5 Other personnel compensation	59	50	56	56	0
11.8 Special personal services payments	-	0	0	0	0
11.9 Total personnel compensation	3,032	10,380	14,294	14,294	0
12.1 Civilian personnel benefits	1,139	4,264	4,188	4,188	0
13 Benefits for former personnel		0	0	0	0
21 Travel and transportation of persons	117	376	381	381	0
22 Transportation of things	0	3	5	5	0
23 Rent, communications, and utilities	0	0	0	0	0
23.1 Rental payments to GSA	275	781	818	818	0
23.2 Rental payments to others	0	0	0	0	0
23.3 Communications, utilities, and misc. charges	119	802	791	791	0
24 Printing and reproduction	5	756	761	761	0
25 Other contractual services	0	0	0	0	0
25.1 Advisory and assistance services	751	1,529	1,529	1,529	0
25.2 Other services from non-federal sources	14,411	7,272	7,272	9,672	2,400
25.3 Other goods and services from federal sources	5,462	4,152	4,442	6,042	1,600
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	241	380	392	392	0
31 Equipment	5	698	708	708	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	10	1	1	1	0
44 Refunds	0	0	0	0	0
99.9 Total obligations	25,567	31,394	35,583	39,583	4,000

Department of Commerce
BUREAU OF INDUSTRY AND SECURITY
Salaries and Expenses
Program Changes For 2025, BIS System Modernization
(Dollar amounts in thousands)

		FY 2025 Base		FY 2025 Estimate		Increase/Decrease from 2025 Base	
		Personnel	Amount	Personnel	Amount	Personnel	Amount
Management and Policy Coordination	Pos/BA	120	35,583	120	35,705	0	122
	FTE/Obl.	120	35,583	120	35,705	0	122

BIS System Modernization (+\$122 0 FTE/0 Positions) - This funding increase of \$122,000 will allow BIS to design, develop, test, implement, and ultimately replace current mission applications with Cloud-based COTS capabilities. BIS specifically plans to focus on two primary applications: the Simplified Network Application Process (SNAP-R) and the Investigative Management System (IMS-R), which date back to 2006 and 2008. Although migrated to the Cloud and patched multiple times, these applications are buckling under the Bureau’s significantly expanded workload. Since SNAP-R and IMS-R first went live, BIS has seen an over 250% increase in export license applications, from 14,966 in 2006, to 38,398 in 2023. Moreover, major regulatory changes and world events of the past two decades have only increased the complexity of both export license decision making and export enforcement investigations, and increased emphasis on its national security mission.

This request is the beginning of a multi-phased effort that will replace these antiquated and poorly performing systems. In FY 2025, BIS will establish a design and development team, identify customer requirements, begin the design process, and define and implement a more effective, and integrated data structure to provide the foundation for systems development. The replacement systems will enable BIS’s Licensing Officers and Enforcement Agents and Analysts to maintain and enforce a more effective and efficient national export control regime. In addition, modern applications may also improve industry compliance and minimize lost sales due to technical inefficiencies. They will also enable BIS to continually address new requirements and threats, analyze the trade data landscape to adjust export policy and patrol for violators, update our systems when regulatory changes occur, secure our enterprise in today’s cyberthreat landscape, and respond to inquiries from all sources, including from the administration, Congress, and the public.

Performance Measures:	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Without requested program change	BIS will continue experiencing significant cybersecurity vulnerabilities and using old, limited digital tools that constrain mission success.	BIS will continue experiencing significant cybersecurity vulnerabilities and using old, limited digital tools that constrain mission success.	BIS will continue experiencing significant cybersecurity vulnerabilities and using old, limited digital tools that constrain mission success.	BIS will continue experiencing significant cybersecurity vulnerabilities and using old, limited digital tools that constrain mission success.	BIS will continue experiencing significant cybersecurity vulnerabilities and using old, limited digital tools that constrain mission success.
With requested program change	BIS will be able to secure the agency in the modern cyberthreat landscape and address today's mission requirements.	BIS will be able to secure the agency in the modern cyberthreat landscape and address today's mission requirements.	BIS will be able to secure the agency in the modern cyberthreat landscape and address today's mission requirements.	BIS will be able to secure the agency in the modern cyberthreat landscape and address today's mission requirements.	BIS will be able to secure the agency in the modern cyberthreat landscape and address today's mission requirements.
Outyear Cost:					
Direct Obligations:					
Uncapitalized	122	124	127	129	132
Budget Authority:					
Outlays	104	118	126	129	132
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
(Direct Obligations amounts in thousands)

Activity: Management and Policy Coordination

Object Class	FY 2023 Actual	FY 2024 CR Annualized	FY 2025 Base	FY 2025 Estimate	Increase/Decrease from FY 2025 Base
11.1 Full-time permanent compensation	2,973	10,330	14,238	14,238	0
11.3 Other than full-time permanent	-	0	0	0	0
11.5 Other personnel compensation	59	50	56	56	0
11.8 Special personal services payments	-	0	0	0	0
11.9 Total personnel compensation	3,032	10,380	14,294	14,294	0
12.1 Civilian personnel benefits	1,139	4,264	4,188	4,188	0
13 Benefits for former personnel	0	0	0	0	0
21 Travel and transportation of persons	117	376	381	382	0
22 Transportation of things	0	3	5	5	0
23 Rent, communications, and utilities	0	0	0	0	0
23.1 Rental payments to GSA	275	781	818	819	1
23.2 Rental payments to others	0	0	0	0	0
23.3 Communications, utilities, and misc. charges	119	802	791	791	0
24 Printing and reproduction	5	756	761	761	0
25 Other contractual services	0	0	0	0	0
25.1 Advisory and assistance services	751	1,529	1,529	1,529	0
25.2 Other services from non-federal sources	14,411	7,272	7,272	7,384	112
25.3 Other goods and services from federal sources	5,462	4,152	4,442	4,451	8
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	241	380	392	392	0
31 Equipment	5	698	708	709	1
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	10	1	1	1	0
44 Refunds	0	0	0	0	0
99.9 Total obligations	25,567	31,394	35,583	35,705	122

**Department of Commerce
BUREAU OF INDUSTRY AND SECURITY
Salaries and Expenses**

Program Changes for 2025, ICTS Implementation of Artificial Intelligence E.O. 14110

(Dollar amounts in thousands)

		FY 2025 Base		FY 2025 Estimate		Increase/Decrease from 2025 Base	
		Personnel	Amount	Personnel	Amount	Personnel	Amount
Management and Policy Coordination	Pos/BA	120	35,583	127	38,870	7	3,287
	FTE/Obl.	120	35,583	125	38,870	5	3,287

ICTS Implementation of Artificial Intelligence Executive Order 14110- (+\$3,287, 5 FTE/7 Positions) - The funding increase of \$3,287,200 and 7 positions will enable BIS to implement Section 4.2 of the “Executive Order on the Safe, Secure, and Trustworthy Development and Use of Artificial Intelligence,” signed on October 30, 2023 (E.O. 14110). This E.O. requires the Secretary of Commerce to propose regulations that require U.S. Infrastructure as a Service (IaaS) providers to submit reports when a foreign person has the potential to develop AI models with capabilities of concern, including qualitative and quantitative technical capabilities of data centers, computing power and modeling.

The existing Infrastructure as Service (IaaS), program under BIS, encompasses compliance and enforcement through the Know-Your-Customer requirements stemming from E.O. 13984, Taking Additional Steps To Address the National Emergency With Respect to Significant Malicious Cyber-Enabled Activities, and enables the BIS to ensure U.S. IaaS providers are implementing the relevant rules to protect IaaS ICTS from adversaries cyber threats, as well as assisting the Secretary in any exemption determinations that may be made pertaining to IaaS providers. The program will establish liaisons with industry 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 and is a passive compliance program for U.S. IaaS providers.

BIS must develop additional requirements and coordinate and deconflict proposed rules that take into consideration the type of account maintained by United States IaaS providers, methods of opening an Account, and types of identifying information available to accomplish the objectives of identifying foreign malicious cyber actors using any such products, preventing the misuse of dual-use foundation models, and avoiding the imposition of an undue burden on such providers.

The funding request will enable BIS to evaluate technical parameters and novel AI concepts and theories being implemented in current markets, and propose regulations requiring IaaS providers and resellers to implement “use” identification, collection and reporting requirements. As these requirements mature, it is likely that investigative and enforcement activities will become more complex in those instances where there is a likelihood of undue risk associated. As these areas in the process as scoped are more resource intense, BIS predicts that out-year budgetary growth could be non-linear.

Performance Measures:	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Without requested program change	BIS will be unable to implement requirements under Section 4.2 of the Artificial Intelligence Executive Order (AI EO) without a decrease to other mission requirements.	BIS will be unable to implement requirements under Section 4.2 of the Artificial Intelligence Executive Order (AI EO) without a decrease to other mission requirements.	BIS will be unable to implement requirements under Section 4.2 of the Artificial Intelligence Executive Order (AI EO) without a decrease to other mission requirements.	BIS will be unable to implement requirements under Section 4.2 of the Artificial Intelligence Executive Order (AI EO) without a decrease to other mission requirements.	BIS will be unable to implement requirements under Section 4.2 of the Artificial Intelligence Executive Order (AI EO) without a decrease to other mission requirements.
With requested program change	BIS will be able to continuously support the recurring analysis on AI technologies as they advance, and potentially pose a threat to national security without reducing support to other mission requirements.	BIS will be able to continuously support the recurring analysis on AI technologies as they advance, and potentially pose a threat to national security without reducing support to other mission requirements.	BIS will be able to continuously support the recurring analysis on AI technologies as they advance, and potentially pose a threat to national security without reducing support to other mission requirements.	BIS will be able to continuously support the recurring analysis on AI technologies as they advance, and potentially pose a threat to national security without reducing support to other mission requirements.	BIS will be able to continuously support the recurring analysis on AI technologies as they advance, and potentially pose a threat to national security without reducing support to other mission requirements.

Outyear Cost:					
Direct Obligations:					
Uncapitalized	3,287	3,353	3,420	3,488	3,558
Budget Authority:					
Outlays	2,794	3,185	3,406	3,475	3,544
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**

Activity: Management and Policy Coordination
 Subactivity: N/A
 Program Change: ICTS Implementation of Artificial Intelligence E.O. 14110

Full-time permanent

Title	Grade	Number	Annual Salary	Total Salaries
Policy Writer	14	1	157,982	157,982
Investigation/Compliance Specialist	14	4	157,982	631,928
Intelligence Research Specialist	13	2	133,692	267,384
Total		7		1,057,294
Less lapse		(2)		(264,324)
Total full-time permanent (FTE)		5		792,971
2025 pay Adjustment (2.0%)				15,859
Total				808,830

25.00%

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
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Authorized Positions

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

Total Positions	7
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Department of Commerce
BUREAU OF INDUSTRY AND SECURITY
Operations and Administration
Program Change Detail by Object Class
(Direct Obligations amounts in thousands)

Activity: Management and Policy Coordination

Object Class	FY 2023 Actual	FY 2024 CR Annualized	FY 2025 Base	FY 2025 Estimate	Increase/Decrease from FY 2025 Base
11.1 Full-time permanent compensation	2,973	10,330	14,238	15,047	809
11.3 Other than full-time permanent	-	0	0	0	0
11.5 Other personnel compensation	59	50	56	56	0
11.8 Special personal services payments	-	0	0	0	0
11.9 Total personnel compensation	3,032	10,380	14,294	15,103	809
12.1 Civilian personnel benefits	1,139	4,264	4,188	4,447	259
13 Benefits for former personnel	0	0	0	0	0
21 Travel and transportation of persons	117	376	381	423	42
22 Transportation of things	0	3	5	7	2
23 Rent, communications, and utilities	0	0	0	0	0
23.1 Rental payments to GSA	275	781	818	895	77
23.2 Rental payments to others	0	0	0	0	0
23.3 Communications, utilities, and misc. charges	119	802	791	792	1
24 Printing and reproduction	5	756	761	768	7
25 Other contractual services	0	0	0	0	0
25.1 Advisory and assistance services	751	1,529	1,529	1,529	0
25.2 Other services from non-federal sources	14,411	7,272	7,272	8,498	1,226
25.3 Other goods and services from federal sources	5,462	4,152	4,442	5,242	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	241	380	392	396	4
31 Equipment	5	698	708	769	61
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	10	1	1	1	0
44 Refunds	0	0	0	0	0
99.9 Total obligations	25,567	31,394	35,583	38,870	3,287

**Department of Commerce
BUREAU OF INDUSTRY AND SECURITY
Salaries and Expenses**

Program Changes for 2025, IT and Telecommunications Contract Support and Agreements Reduction
(Dollar amounts in thousands)

		FY 2025 Base		FY 2025 Estimate		Increase/Decrease from 2025 Base	
		Personnel	Amount	Personnel	Amount	Personnel	Amount
Management and	Pos/BA	120	35,583	120	35,400	0	(184)
Policy Coordination	FTE/Obl.	120	35,583	120	35,400	0	(184)

IT and Telecommunications Contract Support and Agreements Reduction (-\$184, 0 FTE/0 Positions) - BIS proposes a reduction of (\$183,750) for BIS IT application, data management, and telecommunications initiatives currently funded within the BIS base budget. Although BIS has plans to continue working on enterprise-wide infrastructure upgrades, such as the enhancement of its website platform, full functionality of the data management and searchability of the Commerce USXPORTS Exporter Support System (CUESS), and installation of upgraded network telecommunications connectivity for new field offices, it plans to defer and/or delay further improvements of these systems and applications.

Performance Measures:	<u>FY 2025</u>	<u>FY 2026</u>	<u>FY 2027</u>	<u>FY 2028</u>	<u>FY 2029</u>
Without requested program change	BIS will have the capacity to support	BIS will have the capacity to support	BIS will have the capacity to support	BIS will have the capacity to support	BIS will have the capacity to support

	projected 2 million annual site visits and be in compliance with FITARA and IDEA, as well as be able to fully migrate its CUESS data system and provide secure and modern investments in field office connectivity.	projected 2 million annual site visits and be in compliance with FITARA and IDEA, as well as be able to fully migrate its CUESS data system and provide secure and modern investments in field office connectivity.	projected 2 million annual site visits and be in compliance with FITARA and IDEA, as well as be able to fully migrate its CUESS data system and provide secure and modern investments in field office connectivity.	projected 2 million annual site visits and be in compliance with FITARA and IDEA, as well as be able to fully migrate its CUESS data system and provide secure and modern investments in field office connectivity.	projected 2 million annual site visits and be in compliance with FITARA and IDEA, as well as be able to fully migrate its CUESS data system and provide secure and modern investments in field office connectivity.
With requested program change	BIS will be unable to have the capacity to support a portion of the projected increased site visits; will be unable to fully migrate to CUESS; and will rely on less efficient network connectivity.	BIS will be unable to have the capacity to support a portion of the projected increased site visits; will be unable to fully migrate to CUESS; and will rely on less efficient network connectivity.	BIS will be unable to have the capacity to support a portion of the projected increased site visits; will be unable to fully migrate to CUESS; and will rely on less efficient network connectivity.	BIS will be unable to have the capacity to support a portion of the projected increased site visits; will be unable to fully migrate to CUESS; and will rely on less efficient network connectivity.	BIS will be unable to have the capacity to support a portion of the projected increased site visits; will be unable to fully migrate to CUESS; and will rely on less efficient network connectivity.
Outyear Cost:					
Direct Obligations:					
Uncapitalized	(184)	(187)	(191)	(195)	(199)

Budget Authority:

Outlays	(156)	(178)	(190)	(194)	(198)
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
(Direct Obligations amounts in thousands)

Activity: Management and Policy Coordination

Object Class	FY 2023 Actual	FY 2024 CR Annualized	FY 2025 Base	FY 2025 Estimate	Increase/Decrease from FY 2025 Base
11.1 Full-time permanent compensation	2,973	10,330	14,238	14,238	0
11.3 Other than full-time permanent	-	0	0	0	0
11.5 Other personnel compensation	59	50	56	56	0
11.8 Special personal services payments	-	0	0	0	0
11.9 Total personnel compensation	3,032	10,380	14,294	14,294	0
12.1 Civilian personnel benefits	1,139	4,264	4,188	4,188	0
13 Benefits for former personnel		0	0	0	0
21 Travel and transportation of persons	117	376	381	381	0
22 Transportation of things	0	3	5	5	0
23 Rent, communications, and utilities	0	0	0	0	0
23.1 Rental payments to GSA	275	781	818	818	0
23.2 Rental payments to others	0	0	0	0	0
23.3 Communications, utilities, and misc. charges	119	802	791	791	0
24 Printing and reproduction	5	756	761	761	0
25 Other contractual services	0	0	0	0	0
25.1 Advisory and assistance services	751	1,529	1,529	1,529	0
25.2 Other services from non-federal sources	14,411	7,272	7,272	7,138	(135)
25.3 Other goods and services from federal sources	5,462	4,152	4,442	4,393	(49)
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	241	380	392	392	0
31 Equipment	5	698	708	708	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	10	1	1	1	0
44 Refunds	0	0	0	0	0
99.9 Total obligations	25,567	31,394	35,583	35,400	(184)

Department of Commerce
BUREAU OF INDUSTRY AND SECURITY
Salaries and Expenses
Program Changes for 2025, Planned ICTS SCIF and Contract Support Reduction
(Dollar amounts in thousands)

		FY 2025 Base		FY 2025 Estimate		Increase/Decrease from 2025 Base	
		Personnel	Amount	Personnel	Amount	Personnel	Amount
Management and Policy Coordination	Pos/BA	120	35,583	120	26,552	0	(9,031)
	FTE/Obl.	120	35,583	120	26,552	0	(9,031)

Planned ICTS SCIF and Contract Support Reduction (-\$9,031, 0 FTE/0 Positions) - BIS proposes a reduction of \$9,031,000 as an offset due to the Fiscal Responsibility Act (FRA), which imposed budgetary constraints that BIS has accommodated through reductions to the ICTS program. BIS will carry out these reductions in a careful manner to ensure the core mission operations of the ICTS program remain unimpacted. In particular, BIS will reduce funding for a previously planned sensitive compartmented information facility (SCIF) build out project that would provide ICTS with dedicated classified space to allow for uninterrupted licensing reviews and adjudication of ICTS transactions and contracts supporting existing analysis and compliance capabilities that interface with relevant Federal agencies, including the Intelligence Community, and external partners as an offset to the inflationary increases proposed in FY 2025. In the meantime, BIS will work with the Department on alternative SCIF space accommodations and reprioritize support contracts to comply with E.O. 13878: Securing the ICTS Supply Chain, E.O. 13984: Taking Additional Steps to Address Malicious Cyber-Enabled Activities, and E.O. 14034: Protecting American’s Sensitive Data from Foreign Adversaries.

Performance Measures:	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Without requested program change	ICTS transactions and license reviews will be adjudicated in a quicker timeframe, due to dedicated classified spaces and the specialized experience of augmented contract personnel.	ICTS transactions and license reviews will be adjudicated in a quicker timeframe, due to dedicated classified spaces and the specialized experience of augmented contract personnel.	ICTS transactions and license reviews will be adjudicated in a quicker timeframe, due to dedicated classified spaces and the specialized experience of augmented contract personnel.	ICTS transactions and license reviews will be adjudicated in a quicker timeframe, due to dedicated classified spaces and the specialized experience of augmented contract personnel.	ICTS transactions and license reviews will be adjudicated in a quicker timeframe, due to dedicated classified spaces and the specialized experience of augmented contract personnel.
With requested program change	ICTS transactions and license reviews will take longer to adjudicate due to shared classified spaces and without the additional contract support to fill capability gaps, as BIS fills ICTS positions.	ICTS transactions and license reviews will take longer to adjudicate due to shared classified spaces and without the additional contract support to fill capability gaps, as BIS fills ICTS positions.	ICTS transactions and license reviews will take longer to adjudicate due to shared classified spaces and without the additional contract support to fill capability gaps, as BIS fills ICTS positions.	ICTS transactions and license reviews will take longer to adjudicate due to shared classified spaces and without the additional contract support to fill capability gaps, as BIS fills ICTS positions.	ICTS transactions and license reviews will take longer to adjudicate due to shared classified spaces and without the additional contract support to fill capability gaps, as BIS fills ICTS positions.

Outyear Cost:					
Direct Obligations:					
Uncapitalized	(9,031)	(9,212)	(9,396)	(9,584)	(9,775)
 Budget Authority:					
Outlays	(7,676)	(8,751)	(9,359)	(9,546)	(9,737)
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
(Direct Obligations amounts in thousands)

Activity: Management and Policy Coordination

Object Class	FY 2023 Actual	FY 2024 CR Annualized	FY 2025 Base	FY 2025 Estimate	Increase/Decrease from FY 2025 Base
11.1 Full-time permanent compensation	2,973	10,330	14,238	14,238	0
11.3 Other than full-time permanent	-	0	0	0	0
11.5 Other personnel compensation	59	50	56	56	0
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11.9 Total personnel compensation	3,032	10,380	14,294	14,294	0
12.1 Civilian personnel benefits	1,139	4,264	4,188	4,188	0
13 Benefits for former personnel		0	0	0	0
21 Travel and transportation of persons	117	376	381	381	0
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23.2 Rental payments to others	0	0	0	0	0
23.3 Communications, utilities, and misc. charges	119	802	791	791	0
24 Printing and reproduction	5	756	761	761	0
25 Other contractual services	0	0	0	0	0
25.1 Advisory and assistance services	751	1,529	1,529	1,529	0
25.2 Other services from non-federal sources	14,411	7,272	7,272	2,041	(5,231)
25.3 Other goods and services from federal sources	5,462	4,152	4,442	642	(3,800)
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	241	380	392	392	0
31 Equipment	5	698	708	708	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	10	1	1	1	0
44 Refunds	0	0	0	0	0
99.9 Total obligations	25,567	31,394	35,583	26,552	(9,031)

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 2023		FY 2024		FY 2025		FY 2025		Increase/Decrease	
		Actual		CR Annualized		Base		Estimate		from FY 2025 Base	
		Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount
Export	Pos./BA	218	74,365	218	74,161	218	80,162	230	89,004	12	8,842
Administration	FTE/Obl	191	74,585	216	81,388	218	80,162	227	89,004	9	8,842
Total	Pos./BA	218	74,365	218	74,161	218	80,162	230	89,004	12	8,842
	FTE/Obl	191	74,585	216	81,388	218	80,162	227	89,004	9	8,842

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 2023		FY 2024		FY 2025		FY 2025		Increase/Decrease	
		Actual		CR Annualized		Base		Estimate		from FY 2025 Base	
		Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount
Export Administration	Pos./BA	6	2,467	6	2,467	6	2,467	6	2,467	0	0
	FTE/Obl	6	3,046	6	2,287	6	2,287	6	2,287	0	0
Total	Pos./BA	6	2,467	6	2,467	6	2,467	6	2,467	0	0
	FTE/Obl	6	3,046	6	2,287	6	2,287	6	2,287	0	0

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

Activity: Export Administration

Goal Statement

Identify and mitigate national security risks associated with the export, reexport, or in-country 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 (commodities, software, and technology) 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 (in-country) 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 Calendar Year (CY) 2018, under BIS authorization, U.S. companies exported \$5.9 billion of licensed items, roughly 0.4% of the value of all annual exports. In the ensuing years, the percentage of licensed items has remained about the same¹. In FY 2023, under BIS

¹ U.S. BIS Licensed Exports by Year

Calendar Year	Value	Percent of Total Annual Exports
2018	\$5.9B	0.4%
2019	\$6.3B	0.4%
2020	\$6.5B	0.5%
2021	\$7.7B	0.4%
2022	\$8.0B	0.4%

Source: Automated Export System

authorization, U.S. companies exported \$8.6 billion of licensed items. Exports made under a BIS license exception authorization totaled \$18.8 billion, representing approximately 0.9% of overall U.S. exports. These exports helped fund U.S. research and development, sustain U.S. production facilities, workforce employment, and expertise.

Statement of Operating Objectives:

- Establish controls and policy governing the export, reexport, exports from abroad, and in-country transfers of dual-use and less sensitive military items to protect national security and advance foreign policy objectives.
- Maintain lists of entities engaged in military activities in countries of concern or acting contrary to U.S. national security and foreign policy interests, and restrict such entities' access to commodities, software, and technology subject to BIS's jurisdiction.
- Evaluate and adjudicate license applications, commodity classifications, and advisory opinions to achieve U.S. national security and foreign policy objectives.
- Identify technologies as outlined in Section 1758 of ECRA that are essential to national security and develop policies to limit transfer when contrary to U.S. interests.
- Develop and administer regulations restricting U.S. persons from supporting military, intelligence, and security services in countries of concern, consistent with new statutory authority.
- 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 U.S. defense industrial base of actions taken on specific license applications as required by the Export Control Reform Act of 2018.
- Conduct BIS outreach to both domestic and international companies 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, and conduct post-licensing reviews and checks.
- 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.
- Implement an outbound investment program that will require notifications to the U.S. Government for certain investments into China and other countries of concern (and will prohibit others). Analyze information submitted under this new program to help Commerce and other agencies involved in the program ensure its effectiveness as it is launched.
- 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.
- 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.
- Partner with law enforcement agencies by providing expert witness and license determinations 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, owners and operators of critical infrastructure, and others 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 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		2023		2024		2025	
		Personnel	Amount	Personnel	Amount	Personnel	Amount
Export Administration	Pos./BA	218	74,365	218	74,161	218	80,162
	FTE/Obl.	191	74,585	216	81,388	218	80,162

EA will continue in FY 2025 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. However, new authorities to regulate not only exports, but also services performed by U.S. persons in support of foreign military, intelligence, and security services, as well as expanding CFIUS jurisdiction over not only inward foreign investment, but also outbound investment by U.S. persons will significantly increase the scope of BIS's national security mission. Based on these and other factors, including Administration priorities and international political and foreign policy developments, EA anticipates its workload will continue to grow considerably to meet these increasing demands.

Additional information about these programs may be found at:

- 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 in country 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 required to analyze applications efficiently while achieving national security and foreign policy goals.

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

Under Section 232 of the Trade Expansion Act of 1962, as amended, EA conducts comprehensive investigations to determine the effect on the national security of the U.S. of imports of any article. In addition, with BIS-unique and mandatory data collection authority, EA researches, surveys, and assesses the economic health and competitiveness of defense sector capabilities and readiness, and critical technologies. These assessments provide unique insight into foreign sourcing and dependencies, workforce issues, financial health, competitive challenges, and other factors impacting the ability of U.S. industry to meet national security requirements. In FY 2022, as a response to the FY 2021 National Defense Authorization Act – Section 9904 requirements, the Bureau developed and industry-tested the U.S. Microelectronics Assessment Survey which was ultimately released to the semiconductor industry on October 17th, 2022. In FY 2022, the Bureau continued a multi-year industrial assessment related to U.S. healthcare and public health preparedness and response capabilities. The Bureau also continued its effort on a multi-year industrial assessment to evaluate the current health and competitiveness of the civil segment of the U.S. space industrial base.

Significant Accomplishments to Date

Sanctions on Russia in Support of Ukraine

Beginning on February 24, 2022, in response to the Russian Federation's (Russia's) further invasion of Ukraine, the Department of Commerce added multiple substantial new Russia license requirements and licensing policies to the EAR to protect U.S. national security and foreign policy interests. These new Russia measures, which were also implemented specific to Belarus, impose new Commerce Control List (CCL)-based license requirements; impose license requirements on specified luxury goods designated as EAR99 to Russia/Belarus and to Russian/Belarusian oligarchs and malign actors regardless of location; add two new foreign "direct product" rules (FDP rules) specific to Russia/Belarus and Russian/Belarusian 'military end users;' specify a license review policy of denial applicable to all of the added license requirements with certain limited exceptions; significantly restrict the use of EAR license exceptions; expand the existing Russia/Belarus 'military end use' and 'military end user' control scope to all items "subject to the EAR"; transfer 45 Russian entities from the Military End-User (MEU) List and add 27 Belarusian MEUs 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). Since February 24, 2022, BIS has added more than 500 Russia-related MEUs to the Entity List in Russia and third countries (281 were added in 2022 and 220 in 2023). BIS has added 228 additional Russia-related entities to the Entity List in Russia and third countries (133 were added in 2022 and 95 in 2023). Additionally, BIS dramatically expanded the list of EAR99 items subject to license requirements under the Russian industry sector sanctions, covering several entire tariff chapters, such as for machinery, electronics, and test equipment. Comprehensive export, reexport and transfer (in-country) restrictions have been imposed on the so-called Donetsk People's Republic (DNR) and Luhansk People's Republics (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 also expanded the scope of longstanding controls on Iran, including by extending such controls to additional foreign-made items produced with U.S. software, technology, or production equipment, to address Iranian unmanned aerial vehicles and their use by Russia against Ukraine.

Section 232 Investigations and Product Exclusion Process

As of December 31, 2023, BIS has received approximately 516,000 requests submitted by U.S. parties for exclusion from Section 232 tariffs and quotas on steel and aluminum products. In FY 2022, BIS processed approximately 70,000 Exclusion Requests submitted by domestic importers of steel and aluminum products impacted by duties under Section 232. In FY 2023, BIS processed approximately 72,000 Exclusion Requests. 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 2022, Exclusion Requests with no Objections received a final decision within roughly fifty-two calendar days on average, while Exclusion Requests with Objections received a final decision within roughly ninety-three calendar days on average. In FY 2023, Exclusion Requests with no Objections received a final decision within roughly forty-nine calendar days on average, while Exclusion Requests with Objections received a final decision within roughly eighty-six calendar days on average.

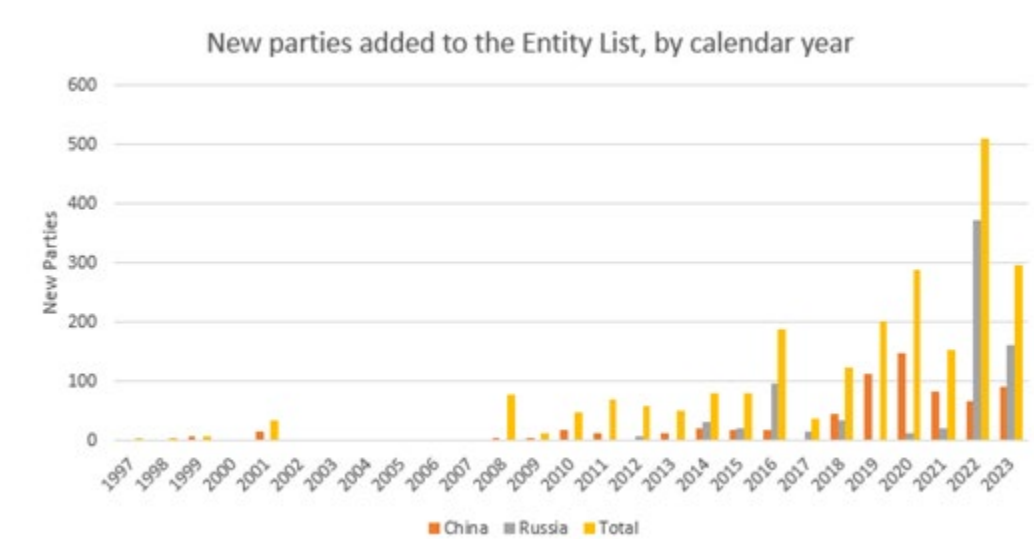
In October 2021, negotiations on Section 232 trade remedies successfully concluded with the European Union. The United States transitioned to a tariff-rate quota on imports of steel and aluminum products from the European Union on January 1, 2022. The European Union in turn removed its retaliatory tariffs 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 March 2022, the United States successfully concluded negotiations on Section 232 trade remedies with the United Kingdom. The United States will transition to a tariff-rate quota on imports of steel and aluminum products from the United Kingdom starting June 1, 2022. Finally in May 2022, in response to the Russian Federation’s (Russia’s) further invasion of Ukraine the Department of Commerce announced a one-year suspension of Section 232 duties on steel products entering from Ukraine. This suspension went into effect on June 1, 2022.

Additions to the Entity List

FY 2023 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, re-exporter, 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 2023, BIS published sixteen rules that added 465 entries to the Entity List for acting contrary to the national security or foreign policy interests of the United States. As of the February 27, 2024, there are a total of over 2,800 active entries on the Entity List in over 90 country locations.



Supporting Cybersecurity and Human Rights in the Digital Economy

Working with multilateral partners through the Wassenaar Arrangement, BIS issued a final rule placing new controls on a variety of hardware, software, and related technologies that can be used to conduct malicious cyber activities, including those technologies being 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. This rule became effective in May 2022. In 2022 and 2023, BIS also published a regulation confirming that the foreign policy interest of promoting respect for human rights worldwide serves as a basis for adding entities to the Entity List and used the Entity List to restrict exports to over a dozen entities for human rights reasons. BIS continues to support the President's Export Controls and Human Rights Initiative (ECHRI), including through the release of a Code of Conduct subscribed to by over 20 countries outlining principles for the use of export controls to advance human rights.

Review of Technologies Pursuant to ECRA Section 1758

In FY 2023, BIS continued with interagency partners and like-minded allies at the multilateral export control regime the of identifying and controlling emerging and foundational technologies essential to the national security of the United States. BIS established the following section 1758 controls on Electronic Computer Aided Design (ECAD) “software” “specially designed” for the “development” of integrated circuits having any Gate-All-Around Field-Effect Transistor (GAAFET) structure; two substrates of ultra-wide bandgap semiconductors Gallium Oxide (Ga_2O_3) and diamond; Pressure Gain Combustion (PGC) “development” and “production” technologies; and Nucleic acid assembler and synthesizer software that is capable of designing and building functional genetic elements from digital sequence data. Furthermore, BIS published an Advance Notice of Proposed Rulemaking (ANPRM) to seek public comments on the following proposed rules certain Brain-Computer Interface (BCI) emerging technology; four naturally occurring dual-use marine toxins (brevetoxin, gonyautoxin, nodularin and palytoxin), their collection and synthesis; and peptide synthesis technology and instrumentation that have increased the speed of peptide synthesis and the length of peptide products, including peptides and proteins greater than 100 amino acids in length. As of September 2023, BIS has implemented section 1758 controls on 46 technologies, 45 of which were implemented multilaterally.

Educational and Outreach Activities

EA continued to expend resources to inform the exporting community about the EAR, 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 and seminars at locations across the United States on “Complying with U.S. Export Controls” and specialty topics, including “Encryption Controls.” EA also 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 controls on semiconductors and related items, and export controls for academia and research institutions. During FY 2022 and in FY 2023, BIS continued to offer web-hosted videos explaining key regulatory and process concepts and was actively working to produce two new videos. 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 relatively inexpensively and at any time convenient to the business. In FY 2023, BIS’s videos were viewed over

46,381 times; since BIS introduced its first video in 2019, they have been viewed over 160,000 times. In FY 2022 and FY 2023, BIS conducted comprehensive outreach to educate and inform exporters about the new license requirements responsive to Russia's invasion of Ukraine as well as new controls on semiconductors and related items, and increased outreach to the academic community, including academic institutions attended by underserved communities.

International Capacity Building

In FY 2023, EA facilitated capacity building and export control policy engagements with interagency and nongovernmental organizations supporting and educating Albania, Argentina, Armenia, Australia, Azerbaijan, Belgium, Botswana, Brazil, Chile, Colombia, Costa Rica, Dominican Republic, Ecuador, the European Commission, Estonia, Eswatini, Finland, France, Georgia, India, Israel, Japan, Kazakhstan, Kyrgyzstan, Latvia, Lesotho, Lithuania, Malawi, Malaysia, Mexico, Mozambique, Namibia, Norway, Panama, Peru, the Philippines, Poland, South Africa, Sweden, Taiwan, Tanzania, Thailand, Turkey, the UAE, and Zambia.. The focus of these engagements was the strengthening of countries' domestic strategic trade control implementation and enforcement as well as fostering compliance with the Export Administration Regulations.

Defense Priorities and Allocations System (DPAS)

The supply chain constraints triggered by the COVID-19 pandemic have led to an increased focus on the Title I priorities and allocations authority of the Defense Production Act (DPA), which BIS helps administer through its DPAS regulation. In FY 2023, BIS processed 40 official actions under the DPAS to provide persons with DPAS rating authorization to support national defense programs, which was the highest number since FY 2008. Among the official actions undertaken by BIS, 12 DPAS rating authorizations were in response to SPA requests where semiconductor supply chain issues were identified, including five DPAS rating authorizations to four U.S. Government agencies, four DPAS rating authorizations to U.S. companies, and three DPAS rating authorizations to foreign companies supporting allied defense partners.

Committee on Foreign Investment in the United States (CFIUS)

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. In FY 2023, BIS reviewed 385 CFIUS filings and declarations.

Outbound Investment Program

EA will lead BIS participation in the new program related to outbound investment to countries of concern. The program, recently established through Executive Order, will prohibit certain investments by U.S. persons into entities in countries of concern developing technologies in sensitive areas that can impact U.S. national security, namely semiconductors/microelectronics, quantum technologies, and artificial intelligence (AI). Over the next year, EA will provide input into the rulemaking process, led by the Department of the Treasury, to establish the implementing regulations for the program and then once launched will analyze the information submitted under the program to help Commerce and other agencies involved in the program ensure its effectiveness.

Export License Processing

From October 1st to July 24th of FY 2023, BIS processed 29,557 license applications valued at \$220.5 billion in an average processing time of 43 days. This marked a 10% decrease from 33,059 applications processed in the same timeframe during FY 2022 (October 1, 2021 – July 24, 2022). Thus far in FY 2023, BIS approved 25,324 applications (85.7%) valued at \$127.0 billion, returned 3,737 applications without action (12.6%) valued at \$44.5 billion, and denied 493 applications (1.7%) valued at \$48.9 billion. In FY 2023, BIS processed 38,398 license applications valued at \$274.3 billion in an average processing time of 38 days. This marked a 5.5% decrease from 40,649 applications processed in the same timeframe during FY 2022. In FY 2023, BIS approved 32,820 applications (85.5%) valued at \$170.8 billion, returned 4,998 applications without action (13.0%) valued at \$54.1 billion, and denied 580 applications (1.5%) valued at \$49.4 billion. In FY 2023, 614 licenses were escalated to the Operating Committee (OC), 400 OC decisions were issued and 63 of those were escalated to the Advisory Committee for Export Policy (ACEP). The ACEP issued 45 decisions on those escalated licenses.

For FY 2023, U.S. companies exported \$8.4 billion of BIS-licensed items. BIS-licensed exports represented 0.4% of total U.S. exports. Exports made under a BIS license exception totaled \$18.2 billion, representing approximately 0.9% of overall U.S. exports. Both licensed exports and exports under license exception totaled \$26.6 billion, approximately 1.3% of total 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.

Since Russia's further invasion of Ukraine in February 2022, BIS has expedited license applications for the export of equipment vital to Ukraine's defense against the Russian invasion as well as guiding and instructing exporters on submitting license applications. In total, from February 24, 2022 – September 30, 2023, we have reviewed 920 export license applications for Ukraine valued at almost \$9.5 billion. Of 920 applications, 792 applications valued at \$7.4 billion were approved.

Department of Commerce
BUREAU OF INDUSTRY AND SECURITY
Salaries and Expenses
Program Changes for 2025, International Export Control Policy Analysis and Engagement
(Dollar amounts in thousands)

		FY 2025 Base		FY 2025 Estimate		Increase/Decrease from 2025 Base	
		Personnel	Amount	Personnel	Amount	Personnel	Amount
Export Administration	Pos/BA	218	80,162	226	88,162	8	8,000
	FTE/Obl.	218	80,162	224	88,162	6	8,000

International Export Control Policy Analysis and Engagement (+\$8,000, 6 FTE/8 Positions) - The funding increase of \$8,000,000 will allow BIS to further develop its international export control policy analysis and international engagement initiatives by building relationships with foreign trade ministries and other entities involved in export controls, assisting with foreign government export control trainings, and facilitating ongoing exchanges on regulatory implementation, developing country-specific policy analysis to inform decisions, and identifying end users of concern for further regulatory action. This range of activity will allow BIS to tailor its foreign engagements to U.S. national security priorities, focusing on the specific dynamics between the U.S. and a country or destination. Emphasis on these categories of activities would evolve with U.S. national security priorities and the specific export control profile of the region or destination in which we engage.

BIS seeks to add one Administrator (Administrative Support Specialist), two additional regional specialists (Export Policy Analysts) who will be regional experts, one training lead who will assist foreign governments to improve their export control systems (Export Policy Analyst), and four intelligence analysts (Trade and Industry Analysts).

Russia’s further invasion of Ukraine identified two needs for BIS. First, BIS requires a dedicated team to engage closely with partner countries as these interactions have substantially increased. BIS built the Global Export Control Coalition, which is composed of the United States and 38 other countries, to impose aligned export controls on Russia and Belarus. In addition, BIS has expended substantially increased resources on international efforts to develop new emerging technology controls through new plurilateral approaches. Building on these models, the Department recognizes an opportunity for collaboration with allies and partners on all national security threats. Second, BIS requires a dedicated staff with regional expertise to track country-specific concerns, in alignment with BIS’s licensing officers. The new positions, including intelligence analysts, would facilitate information sharing with partner countries and track adversaries’ policies and actions that may be thwarted through export controls. They also would support

increasingly frequent engagements with foreign governments building their own export control systems, creating the foundation for continued bilateral relationships. BIS is prioritizing expanding relationships with existing allies and forging relationships with partners in destinations of strategic importance to U.S. export control equities. In practice, this means using existing exchanges, dialogues and other engagements to continue building our current relationships with allies to better align our controls. In coordination with these allies, BIS will seek to outreach to other countries in the region (or with historic ties to our partners) to develop robust and complementary export control systems. In parallel, BIS will also identify key regional partners who can become regional leaders on export controls. Through this targeted outreach strategy, BIS seeks to solidify U.S. national security interests on a regional and global scale.

In addition, BIS recognizes a critical need to tap into regional and country-specific expertise as the strategic environment evolves. This includes linguists, open-source research analysts, and experts on foreign relations. Expanded access to experts through contract services will strengthen BIS’s quick response to continually evolving global issues and enable maximum flexibility to address specific issues as they arise. EA’s engineers, analysts, and data scientists are countering China’s military modernization, degrading Russia’s military, engaging in traditional non-proliferation activities, and conducting the rest of EA’s critical mission. These additional resources will enable EA to comprehensively hone its approach to critical international issues as they arise, and to quickly formulate a plan of action to address any emerging geopolitical situation.

BIS’s new, comprehensive approach to today’s national security environment require substantially greater analytic and policy capability and expertise. Our deep understanding of the security environment, the engineering and technical capabilities of cutting-edge technologies, the global marketplace, supply chains, and the U.S. defense industrial base enables us to take a surgical approach to protect national security while fostering U.S. technological leadership.

Performance Measures:	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Without requested program change	BIS’s ability to develop policy specific to multilateral and plurilateral opportunities, as well as to counter adversaries, will	BIS’s ability to develop policy specific to multilateral and plurilateral opportunities, as well as to counter adversaries, will	BIS’s ability to develop policy specific to multilateral and plurilateral opportunities, as well as to counter adversaries, will	BIS’s ability to develop policy specific to multilateral and plurilateral opportunities, as well as to counter adversaries, will	BIS’s ability to develop policy specific to multilateral and plurilateral opportunities, as well as to counter adversaries, will

	remain reliant on individuals with technology expertise who adjudicate export licenses and are not regional experts.	remain reliant on individuals with technology expertise who adjudicate export licenses and are not regional experts.	remain reliant on individuals with technology expertise who adjudicate export licenses and are not regional experts.	remain reliant on individuals with technology expertise who adjudicate export licenses and are not regional experts.	remain reliant on individuals with technology expertise who adjudicate export licenses and are not regional experts.
With requested program change	BIS will have the infrastructure and personnel expertise to assist regional allies and partners with establishing and improving their export compliance programs.	BIS will have the infrastructure and personnel expertise to assist regional allies and partners with establishing and improving their export compliance programs.	BIS will have the infrastructure and personnel expertise to assist regional allies and partners with establishing and improving their export compliance programs.	BIS will have the infrastructure and personnel expertise to assist regional allies and partners with establishing and improving their export compliance programs.	BIS will have the infrastructure and personnel expertise to assist regional allies and partners with establishing and improving their export compliance programs.
Outyear Cost:					
Direct Obligations:					
Uncapitalized	8,000	8,160	8,323	8,490	8,659
Budget Authority:					
Outlays	6,800	7,752	8,291	8,457	8,626
FTE	6	6	6	6	6
Positions	8	8	8	8	8

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

Activity: Export Administration
 Subactivity: N/A
 Program Change: International Export Control Policy Analysis and Engagement

Full-time permanent

Title	Grade	Number	Annual Salary	Total Salaries
Administrative Support Specialist	12	1	112,425	112,425
Senior Intelligence Analyst	14	3	157,982	473,946
Intelligence Analyst	12	1	112,425	112,425
Export Policy Analyst (Regional Analyst)	12	1	112,425	112,425
Export Policy Analyst (Regional Analyst)	13	1	133,692	133,692
Senior Export Policy Analyst (Training Lead)	15	1	185,824	185,824
Total		8		1,130,737
Less lapse	25.00%	(2)		(282,684)
Total full-time permanent (FTE)		6		848,053
2025 pay Adjustment (2.0%)				16,961
Total				865,014

Personnel Data Summary

Full-time Equivalent Employment (FTE)

Full-time permanent	6
Part-time permanent	0
Full-time temporary	0
Part-time temporary	0

Total FTE	6
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Authorized Positions

Full-time permanent	8
Part-time permanent	0
Full-time temporary	0
Part-time temporary	0

Total Positions	8
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Department of Commerce
BUREAU OF INDUSTRY AND SECURITY
Operations and Administration
Program Change Detail by Object Class, International Export Control Policy Analysis and Engagement
(Direct Obligations amounts in thousands)

Activity: Export Administration

Object Class	FY 2023 Actuals	FY 2024 CR Annualized	FY 2025 Base	FY 2025 Estimate	Increase/Decrease from FY 2025 Base
11.1 Full-time permanent compensation	25,413	32,282	28,745	29,610	865
11.3 Other than full-time permanent	(2)	0	0	0	0
11.5 Other personnel compensation	688	600	613	613	0
11.8 Special personal services payments	-	0	0	0	0
11.9 Total personnel compensation	26,099	32,882	29,358	30,223	865
12.1 Civilian personnel benefits	9,258	11,463	9,464	9,741	277
13 Benefits for former personnel	0	0	0	0	0
21 Travel and transportation of persons	622	406	417	465	48
22 Transportation of things	5	92	95	98	3
23 Rent, communications, and utilities	0	0	0	0	0
23.1 Rental payments to GSA	3,667	2,204	2,698	2,786	88
23.2 Rental payments to others	0	0	0	0	0
23.3 Communications, utilities, and misc. charges	1,592	1,194	1,468	1,047	1
24 Printing and reproduction	956	515	526	534	8
25 Other contractual services	0	0	0	0	0
25.1 Advisory and assistance services	5,849	5,127	5,127	5,127	0
25.2 Other services from non-federal sources	12,087	12,282	12,282	18,020	5,738
25.3 Other goods and services from federal sources	11,507	13,385	17,264	18,162	898
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	2,852	975	1,001	1,005	4
31 Equipment	61	853	874	944	70
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	30	10	10	10	0
44 Refunds	0	0	0	0	0
99.9 Total obligations	74,585	81,388	80,162	88,162	8,000

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

		FY 2025 Base		FY 2025 Estimate		Increase/Decrease from FY 2025 Base	
		Personnel	Amount	Personnel	Amount	Personnel	Amount
Export	Pos./BA	218	80,162	218	76,218	0	(3,944)
Administration	FTE/Obl.	218	80,162	218	76,218	0	(3,944)

Defense Production Act (DPA) Industrial Studies Reduction (-\$3,944, 0 FTE/Positions) - BIS proposes a reduction of (\$3,944,000) for Defense Production Act (DPA) Section 705 survey and assessment contracts as an offset due to the Fiscal Responsibility Act (FRA), which imposed budgetary constraints that BIS has accommodated through reductions to the DPA surveys. BIS will carry out these reductions in a careful manner to ensure sufficient resources transition the DPA industrial studies into smaller, less costly assessment cycles by leveraging the existing knowledge and skillsets. BIS will look at efficiencies to find offsets within existing contract personnel as it ramps down efforts of a typically 24-36 month project life cycle for DPA industrial studies involving detailed industry sector surveys, compliance with survey response requirements, analysis of survey data, and final reports, including recommended actions.

Performance Measures:	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
With program change:	Reduce the specialized contract personnel that may be reallocated to support additional	Reduce the specialized contract personnel that may be reallocated to support additional	Reduce the specialized contract personnel that may be reallocated to support additional	Reduce the specialized contract personnel that may be reallocated to support additional	Reduce the specialized contract personnel that may be reallocated to support additional

	assessment cycles	assessment cycles	assessment cycles	assessment cycles	assessment cycles
Without program change:	BIS will be able to sustain flexibility in realigning contract personnel to support additional assessment cycles as needed	BIS will be able to sustain flexibility in realigning contract personnel to support additional assessment cycles as needed	BIS will be able to sustain flexibility in realigning contract personnel to support additional assessment cycles as needed	BIS will be able to sustain flexibility in realigning contract personnel to support additional assessment cycles as needed	BIS will be able to sustain flexibility in realigning contract personnel to support additional assessment cycles as needed
Outyear Cost:					
Direct Obligations:					
Uncapitalized	(3,944)	(4,023)	(4,103)	(4,185)	(4,269)
Budget Authority:					
Outlays	(3,352)	(3,822)	(4,087)	(4,169)	(4,252)
FTE	0	0	0	0	0
Positions	0	0	0	0	0

Department of Commerce
BUREAU OF INDUSTRY AND SECURITY
Operations and Administration
(NEW PROGRAM CHANGE TO ADJUST FOR WCF)
Program Change Detail by Object Class
(Direct Obligations amounts in thousands)

Activity: Export Administration

Object Class	FY 2023 Actuals	FY 2024 CR Annualized	FY 2025 Base	FY 2025 Estimate	Increase/Decrease from FY 2025 Base
11.1 Full-time permanent compensation	25,413	32,282	28,745	28,745	0
11.3 Other than full-time permanent	(2)	0	0	0	0
11.5 Other personnel compensation	688	600	613	613	0
11.8 Special personal services payments	0	0	0	0	0
11.9 Total personnel compensation	26,099	32,882	29,358	29,358	0
12.1 Civilian personnel benefits	9,258	11,463	9,464	9,464	0
13 Benefits for former personnel	0	0	0	0	0
21 Travel and transportation of persons	622	406	417	417	0
22 Transportation of things	5	92	95	95	0
23 Rent, communications, and utilities	0	0	0	0	0
23.1 Rental payments to GSA	3,667	2,204	2,698	2,698	0
23.2 Rental payments to others	0	0	0	0	0
23.3 Communications, utilities, and misc. charges	1,592	1,194	1,046	1,046	0
24 Printing and reproduction	956	515	526	526	0
25 Other contractual services	0	0	0	0	0
25.1 Advisory and assistance services	5,849	5,127	5,127	5,127	0
25.2 Other services from non-federal sources	12,087	12,282	12,282	8,338	(3,944)
25.3 Other goods and services from federal sources	11,507	13,385	17,264	17,264	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	2,852	975	1,001	1,001	0
31 Equipment	61	853	874	874	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	30	10	10	10	0
44 Refunds	0	0	0	0	0
99.9 Total obligations	74,585	81,388	80,162	76,218	(3,944)

Department of Commerce
BUREAU OF INDUSTRY AND SECURITY
Salaries and Expenses
Program Changes for 2025, EA Implementation of Artificial Intelligence E.O. 14110
(Dollar amounts in thousands)

		FY 2025 Base		FY 2025 Estimate		Increase/Decrease from 2025 Base	
		Personnel	Amount	Personnel	Amount	Personnel	Amount
Export Administration	Pos/BA	218	80,162	221	85,767	3	5,605
	FTE/Obl.	218	80,162	220	85,767	2	5,605

EA Implementation of Artificial Intelligence Executive Order 14110 (+\$5,605, 2 FTE/3 Positions) - The funding increase of \$5,604,919 and 3 positions enables BIS to implement Section 4.2 of the “Executive Order on the Safe, Secure, and Trustworthy Development and Use of Artificial Intelligence,” signed on October 30, 2023 (E.O. 14110). This EO requires the Secretary of Commerce to exercise authorities under the Defense Production Act (DPA) to require companies, individuals, or other organizations or entities that acquire, develop, or possess a potential large-scale computing cluster to report such acquisition, development, or possession, including but not necessarily limited to the existence and location of these clusters and the amount of total computing power available. Once the data is collected using the DPA authorities, the Secretary of Commerce will be required to regularly assess the capabilities of companies developing or intending to develop potential dual-use foundation models.

BIS will spearhead the regulatory effort on detecting and deterring malicious use of Artificial Intelligence on U.S. infrastructure platforms being used by our adversaries. It will allow BIS to articulate transparent qualitative and quantitative elements of advance computing that supports the development of AI and ensure protection of U.S. federal and non-federal commercial systems, including those intertwined with critical infrastructure in other parts of the Defense Industrial Base.

To implement this Section, BIS must also obtain the necessary technical expertise via industrial base analysis data and tools, a survey compliance assessment team, and the ability to securely collect business proprietary data on a recurring basis. The capabilities will allow for technical insights relevant to AI modeling and computing for the report consolidation and the handling of this recurring complex compliance process.

The funding request will enable BIS to continuously support the reoccurring analysis on AI technologies as they advance, and potentially pose a threat to national security. The programmatic expansion will allow for the continuous update of the recurring survey which will allow for the evaluation of technical parameters and novel AI concepts and theories being implemented in current market conditions with insights into primary researched business proprietary data sets that do not exist elsewhere.

Performance Measures:	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Without requested program change	BIS will be unable to implement requirements under Section 4.2 of the Artificial Intelligence Executive Order (AI EO).	BIS will be unable to implement requirements under Section 4.2 of the Artificial Intelligence Executive Order (AI EO).	BIS will be unable to implement requirements under Section 4.2 of the Artificial Intelligence Executive Order (AI EO).	BIS will be unable to implement requirements under Section 4.2 of the Artificial Intelligence Executive Order (AI EO).	BIS will be unable to implement requirements under Section 4.2 of the Artificial Intelligence Executive Order (AI EO).
With requested program change	BIS will be able to continuously support the recurring analysis on AI technologies as they advance, and potentially pose a threat to national security.	BIS will be able to continuously support the recurring analysis on AI technologies as they advance, and potentially pose a threat to national security.	BIS will be able to continuously support the recurring analysis on AI technologies as they advance, and potentially pose a threat to national security.	BIS will be able to continuously support the recurring analysis on AI technologies as they advance, and potentially pose a threat to national security.	BIS will be able to continuously support the recurring analysis on AI technologies as they advance, and potentially pose a threat to national security.
Outyear Cost:					
Direct Obligations:					
Uncapitalized	5,605	5,717	5,831	5,948	6,067
Budget Authority:					
Outlays	4,764	5,431	5,809	5,925	6,043
FTE	2	2	2	2	2
Positions	3	3	3	3	3

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

Activity: Export Administration
 Subactivity: N/A
 Program Change: EA Implementation of Artificial Intelligence 14110

Full-time permanent

Title	Grade	Number	Annual Salary	Total Salaries
Senior Trade and Industry Analyst	14	1	157,982	157,982
Trade and Industry Analyst	12	2	112,425	224,850
Total		3		382,832
Less lapse		(1)		(95,708)
Total full-time permanent (FTE)		2		287,124
2025 pay Adjustment (2.0%)				5,742
Total				292,866

25.00%

Title	Grade	Number	Annual Salary	Total Salaries
<u>Personnel Data Summary</u>				
Full-time Equivalent Employment (FTE)				
Full-time permanent		2		
Part-time permanent		0		
Full-time temporary		0		
Part-time temporary		0		
<u>Total FTE</u>		<u>2</u>		
Authorized Positions				
Full-time permanent		3		
Part-time permanent		0		
Full-time temporary		0		
Part-time temporary		0		
<u>Total Positions</u>		<u>3</u>		

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

Activity: Export Administration

Object Class	FY 2023 Actuals	FY 2024 CR Annualized	FY 2025 Base	FY 2025 Estimate	Increase/Decrease from FY 2025 Base
11.1 Full-time permanent compensation	25,413	32,282	28,745	29,038	293
11.3 Other than full-time permanent	(2)	0	0	0	0
11.5 Other personnel compensation	688	600	613	613	0
11.8 Special personal services payments	0	0	0	0	0
11.9 Total personnel compensation	26,099	32,882	29,358	29,651	293
12.1 Civilian personnel benefits	9,258	11,463	9,464	9,557	94
13 Benefits for former personnel	0	0	0	0	0
21 Travel and transportation of persons	622	406	417	435	18
22 Transportation of things	5	92	95	97	1
23 Rent, communications, and utilities	0	0	0	0	0
23.1 Rental payments to GSA	3,667	2,204	2,698	2,731	33
23.2 Rental payments to others	0	0	0	0	0
23.3 Communications, utilities, and misc. charges	1,592	1,194	1,046	1,047	0
24 Printing and reproduction	956	515	526	529	3
25 Other contractual services	0	0	0	0	0
25.1 Advisory and assistance services	5,849	5,127	5,127	5,127	0
25.2 Other services from non-federal sources	12,087	12,282	12,282	17,088	4,806
25.3 Other goods and services from federal sources	11,507	13,385	17,264	17,593	328
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	2,852	975	1,001	1,002	2
31 Equipment	61	853	874	900	26
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	30	10	10	10	0
44 Refunds	0	0	0	0	0
99.9 Total obligations	74,585	81,388	80,162	85,767	5,605

Department of Commerce
BUREAU OF INDUSTRY AND SECURITY
Salaries and Expenses
Program Changes for 2025, BIS System Modernization
(Dollar amounts in thousands)

		FY 2025 Base		FY 2025 Estimate		Increase/Decrease from 2025 Base	
		Personnel	Amount	Personnel	Amount	Personnel	Amount
Export Administration	Pos/BA	218	80,162	219	81,798	1	1,636
	FTE/Obl.	218	80,162	219	81,798	1	1,636

BIS System Modernization (+\$1,636 1 FTE/1 Positions) - This funding increase of \$1,636,000 will allow BIS to design, develop, test, implement, and ultimately replace current mission applications with Cloud-based COTS capabilities. BIS specifically plans to focus on two primary applications: the Simplified Network Application Process (SNAP-R) and the Investigative Management System (IMS-R), which date back to 2006 and 2008. Although migrated to the Cloud and patched multiple times, these applications are buckling under the Bureau’s significantly expanded workload. Since SNAP-R and IMS-R first went live, BIS has seen an over 250% increase in export license applications, from 14,966 in 2006, to 38,398 in 2023. Moreover, major regulatory changes and world events of the past two decades have only increased the complexity of both export license decision making and export enforcement investigations, and increased emphasis on its national security mission.

This request is the beginning of a multi-phased effort that will replace these antiquated and poorly performing systems. In FY 2025, BIS will establish a design and development team, identify customer requirements, begin the design process, and define and implement a more effective, and integrated data structure to provide the foundation for systems development. The replacement systems will enable BIS’s Licensing Officers and Enforcement Agents and Analysts to maintain and enforce a more effective and efficient national export control regime. In addition, modern applications may also improve industry compliance and minimize lost sales due to technical inefficiencies. They will also enable BIS to continually address new requirements and threats, analyze the trade data landscape to adjust export policy and patrol for violators, update our systems when regulatory changes occur, secure our enterprise in today’s cyberthreat landscape, and respond to inquiries from all sources, including from the administration, Congress, and the public.

Performance Measures:	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Without requested program change	BIS will continue experiencing significant cybersecurity vulnerabilities and using old, limited digital tools that constrain mission success.	BIS will continue experiencing significant cybersecurity vulnerabilities and using old, limited digital tools that constrain mission success.	BIS will continue experiencing significant cybersecurity vulnerabilities and using old, limited digital tools that constrain mission success.	BIS will continue experiencing significant cybersecurity vulnerabilities and using old, limited digital tools that constrain mission success.	BIS will continue experiencing significant cybersecurity vulnerabilities and using old, limited digital tools that constrain mission success.
With requested program change	BIS will be able to secure the agency in the modern cyberthreat landscape and address today's mission requirements.	BIS will be able to secure the agency in the modern cyberthreat landscape and address today's mission requirements.	BIS will be able to secure the agency in the modern cyberthreat landscape and address today's mission requirements.	BIS will be able to secure the agency in the modern cyberthreat landscape and address today's mission requirements.	BIS will be able to secure the agency in the modern cyberthreat landscape and address today's mission requirements.
Outyear Cost:					
Direct Obligations:					
Uncapitalized	1,636	1,669	1,702	1,736	1,771
Budget Authority:					
Outlays	1,391	1,585	1,695	1,729	1,764
FTE	1	1	1	1	1
Positions	1	1	1	1	1

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

Activity: Export Administration
 Subactivity: N/A
 Program Change: BIS System Modernization

Full-time permanent

Title	Grade	Number	Annual Salary	Total Salaries
Program Manager	13	1	133,692	133,692
Total		1		133,692
Less lapse		(0)		(33,423)
Total full-time permanent (FTE)		1		100,269
2025 pay Adjustment (2%)				2,005
Total				102,274

25.00%

Personnel Data Summary

Full-time Equivalent Employment (FTE)

Full-time permanent	1
Part-time permanent	0
Full-time temporary	0
Part-time temporary	0

Total FTE	1
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Authorized Positions

Full-time permanent	1
Part-time permanent	0
Full-time temporary	0
Part-time temporary	0

Total Positions	1
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Department of Commerce
BUREAU OF INDUSTRY AND SECURITY
Operations and Administration
Program Change Detail by Object Class
(Direct Obligations amounts in thousands)

Activity: Export Administration

Object Class	FY 2023 Actuals	FY 2024 CR Annualized	FY 2025 Base	FY 2025 Estimate	Increase/Decrease from FY 2025 Base
11.1 Full-time permanent compensation	25,413	32,282	28,745	28,847	102
11.3 Other than full-time permanent	(2)	0	0	0	0
11.5 Other personnel compensation	688	600	613	613	0
11.8 Special personal services payments	-	0	0	0	0
11.9 Total personnel compensation	26,099	32,882	29,358	29,460	102
12.1 Civilian personnel benefits	9,258	11,463	9,464	9,496	33
13 Benefits for former personnel	0	0	0	0	0
21 Travel and transportation of persons	622	406	417	423	6
22 Transportation of things	5	92	95	96	0
23 Rent, communications, and utilities	0	0	0	0	0
23.1 Rental payments to GSA	3,667	2,204	2,698	2,708	10
23.2 Rental payments to others	0	0	0	0	0
23.3 Communications, utilities, and misc. charges	1,592	1,194	1,046	1,046	0
24 Printing and reproduction	956	515	526	527	1
25 Other contractual services	0	0	0	0	0
25.1 Advisory and assistance services	5,849	5,127	5,127	5,127	0
25.2 Other services from non-federal sources	12,087	12,282	12,282	13,649	1,367
25.3 Other goods and services from federal sources	11,507	13,385	17,264	17,373	108
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	2,852	975	1,001	1,001	0
31 Equipment	61	853	874	882	8
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	30	10	10	10	0
44 Refunds	0	0	0	0	0
99.9 Total obligations	74,585	81,388	80,162	81,798	1,636

Department of Commerce
BUREAU OF INDUSTRY AND SECURITY
Salaries and Expenses
Program Changes for 2025, IT and Telecommunications Contract Support and Agreements Reduction
(Dollar amounts in thousands)

		FY 2025 Base		FY 2025 Estimate		Increase/Decrease from 2025 Base	
		Personnel	Amount	Personnel	Amount	Personnel	Amount
Export Administration	Pos/BA	218	80,162	218	77,707	0	(2,455)
	FTE/Obl.	218	80,162	218	77,707	0	(2,455)

IT and Telecommunications Contract Support and Agreements Reduction (-\$2,455 0 FTE/0 Positions) - BIS proposes a reduction of (\$2,454,705) for BIS IT application, data management, and telecommunications initiatives currently funded within the BIS base budget. Although BIS has plans to continue working on enterprise-wide infrastructure upgrades, such as the enhancement of its website platform, full functionality of the data management and searchability of the Commerce USXPORTS Exporter Support System (CUESS), and installation of upgraded network telecommunications connectivity for new field offices, it plans to defer and/or delay further improvements of these systems and applications.

Performance Measures:	<u>FY 2025</u>	<u>FY 2026</u>	<u>FY 2027</u>	<u>FY 2028</u>	<u>FY 2029</u>
Without requested program change					

BIS will have the capacity to support projected 2 million annual site visits and be in compliance with FITARA and IDEA, as well as be able to fully migrate its CUESS data system and provide secure and modern investments in field office connectivity.	BIS will have the capacity to support projected 2 million annual site visits and be in compliance with FITARA and IDEA, as well as be able to fully migrate its CUESS data system and provide secure and modern investments in field office connectivity.	BIS will have the capacity to support projected 2 million annual site visits and be in compliance with FITARA and IDEA, as well as be able to fully migrate its CUESS data system and provide secure and modern investments in field office connectivity.	BIS will have the capacity to support projected 2 million annual site visits and be in compliance with FITARA and IDEA, as well as be able to fully migrate its CUESS data system and provide secure and modern investments in field office connectivity.	BIS will have the capacity to support projected 2 million annual site visits and be in compliance with FITARA and IDEA, as well as be able to fully migrate its CUESS data system and provide secure and modern investments in field office connectivity.
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With requested program change

BIS will be unable to have the capacity to support a portion of the projected increased site visits; will be unable to fully migrate to CUESS; and will rely on less efficient network connectivity.	BIS will be unable to have the capacity to support a portion of the projected increased site visits; will be unable to fully migrate to CUESS; and will rely on less efficient network connectivity.	BIS will be unable to have the capacity to support a portion of the projected increased site visits; will be unable to fully migrate to CUESS; and will rely on less efficient network connectivity.	BIS will be unable to have the capacity to support a portion of the projected increased site visits; will be unable to fully migrate to CUESS; and will rely on less efficient network connectivity.	BIS will be unable to have the capacity to support a portion of the projected increased site visits; will be unable to fully migrate to CUESS; and will rely on less efficient network connectivity.
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Outyear Cost:

Direct Obligations:					
Uncapitalized	(2,455)	(2,504)	(2,554)	(2,605)	(2,657)
Budget Authority:					
Outlays	(2,086)	(2,374)	(2,544)	(2,595)	(2,647)
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
(Direct Obligations amounts in thousands)

Activity: Export Administration

Object Class	FY 2023 Actual	FY 2024 CR Annualized	FY 2025 Base	FY 2025 Estimate	Increase/Decrease from FY 2025 Base
11.1 Full-time permanent compensation	25,413	32,282	28,745	28,745	0
11.3 Other than full-time permanent	(2)	0	0	0	0
11.5 Other personnel compensation	688	600	613	613	0
11.8 Special personal services payments	-	0	0	0	0
11.9 Total personnel compensation	26,099	32,882	29,358	29,358	0
12.1 Civilian personnel benefits	9,258	11,463	9,464	9,464	0
13 Benefits for former personnel	0	0	0	0	0
21 Travel and transportation of persons	622	406	417	417	0
22 Transportation of things	5	92	95	95	0
23 Rent, communications, and utilities	0	0	0	0	0
23.1 Rental payments to GSA	3,667	2,204	2,698	2,698	0
23.2 Rental payments to others	0	0	0	0	0
23.3 Communications, utilities, and misc. charges	1,592	1,194	1,046	1,046	0
24 Printing and reproduction	956	515	526	526	0
25 Other contractual services	0	0	0	0	0
25.1 Advisory and assistance services	5,849	5,127	5,127	5,127	0
25.2 Other services from non-federal sources	12,087	12,282	12,282	10,482	(1,800)
25.3 Other goods and services from federal sources	11,507	13,385	17,264	16,610	(655)
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	2,852	975	1,001	1,001	0
31 Equipment	61	853	874	874	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	30	10	10	10	0
44 Refunds	0	0	0	0	0
99.9 Total obligations	74,585	81,388	80,162	77,708	(2,455)

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 2023		FY 2024		FY 2025		FY 2025		Increase/Decrease	
		Actual		CR Annualized		Base		Estimate		from FY 2025 Base	
		Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount
Export	Pos./BA	247	85,778	247	85,986	247	93,480	254	100,610	7	7,130
Enforcement	FTE/Obl	203	87,756	240	93,677	247	93,480	252	100,610	5	7,130
Total	Pos./BA	247	85,778	247	85,986	247	93,480	254	100,610	7	7,130
	FTE/Obl	203	87,756	240	93,677	247	93,480	252	100,610	5	7,130

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 2023		FY 2024		FY 2025		FY 2025		Increase/Decrease	
		Actual		CR Annualized		Base		Estimate		from FY 2025 Base	
		Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount
Export	Pos./BA	0	39	0	39	0	39	0	39	0	0
Enforcement	FTE/Obl	0	159	0	120	0	120	0	120	0	0
Total	Pos./BA	0	39	0	39	0	39	0	39	0	0
	FTE/Obl	0	159	0	120	0	120	0	120	0	0

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

Activity: Export Enforcement

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 China, Russia, and Iran, 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 or support by U.S. persons to restricted activities, 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-compliant actions under the EAR to safeguard U.S. national security;
- EE advises U.S. and foreign exporters, manufacturers, universities, banks, and the public on the substance and application of the EAR;
- EE program efforts monitor and analyze trends in boycott activity, to include pursuing criminal and administrative sanctions for violations;
- Through its end-use monitoring program, EE identifies reliable transaction parties, which facilitates secure U.S. trade, and conversely identifies unreliable parties for enforcement action; and
- EE reviews export license applications, helps U.S. exporters screen suspicious inquiries, and recommends persons for addition to the Entity List, Denied Persons List, Military End-User List, and Unverified List.

Statement of Operating Objectives

- Continue to identify and investigate vigorously non-compliance with applicable export control statutes.
- Pursue violations through administrative and/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, as practicable, with federal law enforcement agencies, the Department of Defense, and the Intelligence Community, including through the Disruptive Technology Strike Force (DTSF), to enhance EE’s ability to enforce export controls by expanding the network of resources and capabilities, and prioritizing enforcement outcomes on the most sensitive technologies.
- Collaborate with partner agencies to inhibit an ever-increasing level of sophistication exerted by transnational criminal organization networks and adversarial 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 as well as Enforcement Coordination Mechanisms (e.g., with Canada, the European Union, Export Five – Australia, Canada, New Zealand, United Kingdom, and U.S., Group of Seven (G7) countries, Disruptive Technology Protection Network – Japan, Korea, and U.S.), 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 Persons List, Military End-User List, and Unverified List to help industry safeguard transactions.

Explanation and Justification

Line Item		2023 Actual		2024 CR Annualized		2025 Base	
		Personnel	Amount	Personnel	Amount	Personnel	Amount
Export	Pos./BA	247	85,778	247	85,986	247	93,480
Enforcement	FTE/Obl.	203	87,756	240	93,677	247	93,480

Export Enforcement exercises its unique authorities to conduct complex investigations prioritized on malign activities of nation-state actors, as well as end uses and end users of national security concern. 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 BIS export control jurisdiction expands and international trade becomes more interdependent and diverse, in response to geopolitical situations such as Russia's invasion of Ukraine, or to prevent adversaries like China from leveraging U.S. advanced technologies to facilitate their destabilizing military modernization activities.

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 and certain U.S. persons activities involving non-EAR items. Program success depends upon EE confirming whether these items are exported, exported from abroad, reexported, or transferred (in-country) in violation of the EAR.

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 and academia 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 2025, EE will continue prioritizing enforcement actions (e.g., the imposition of penalties and the denial of export privileges) to focus on the most serious violations, including through the DTSF. This includes ensuring the most serious administrative violations trigger commensurately significant penalties; requiring settling parties to admit to underlying factual conduct; resolving less serious cases through suspended denial orders with certain conditions, such as training and compliance requirements; triaging voluntary self-disclosures to focus enforcement resources on serious violations while fast-tracking resolutions for less serious violations; making charging letters public when issued to create incentives for those under investigation to try to resolve matters quickly; expecting companies to disclose violations when known or consider affirmative decisions not to disclose an aggravating factor in penalty

calculations; and crediting those that inform us about someone else's violation that results in an enforcement action. EE also will expand its collaborations with U.S. government and private sector partners, including dedicated outreach and training to U.S. universities, especially with those having elevated risk profiles, as well as those exporting prioritized items to third countries upon which Russia is dependent for its weapons systems. A critical aspect is expanding the operationalization of DTSF cells across the country to prioritize prosecution and civil enforcement of violations of advanced technology exports that when in the wrong hands or used in new or novel ways enhance adversaries' military capabilities or support mass surveillance programs that enable human rights abuses threaten U.S. national security. 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, including through leveraging the DTSF's analytical cell.

Additionally, BIS has built international partnerships with the European Commission and European Anti-Fraud Office (OLAF), Export Five, G7, Disruptive Technology Protection Network members, and like-minded countries, as well as transshipment countries, 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 ECO and Export Control Analyst (ECA) programs 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 nine locations abroad along with an ECA in Canada help build foreign governments' capacities to implement export controls and develop complementary enforcement actions, as well as educate foreign industry on EAR compliance. The ECO program receives 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.

FY 2023 Significant Accomplishments

- Since Russia's invasion of Ukraine, Export Enforcement conducted more than 865 outreaches to U.S. companies and detained more than 525 shipments valued at more than \$284 million. Issued a record 35 Temporary Denial Orders (TDOs) and subsequent renewals, including against Russian and Belarusian airlines that likely have violated U.S. export controls on Russia, and publicly identified lists of Russian- and Belarusian-operated airplanes that have likely violated U.S. export controls by flying into Russia or Belarus without the required export license. Also issued an additional TDO against a Venezuelan cargo airline for violating U.S. export controls, as well as renewed a TDO against Iranian airline Mahan Airways.
- Issued charging letters against Russian oligarch Roman Abramovich and PJSC Lukoil, a Russian multinational oil and gas corporation, as well as worked with the Department of Justice on the execution of seizure warrants for four airplanes owned by Abramovich, Russian oligarch Andrei Skoch, and Lukoil worth more than \$500 million.
- Since Russia's further invasion of Ukraine through FY2023, there have been over 450 Suspicious Activity Reports filed by financial institutions under the new Russia Sanctions code.
- On October 7, 2022, BIS implemented a new policy nominating parties to the Unverified List when a host government has not scheduled an end-use check within 60 days of request and nominating such parties to the Entity List when such requests exceed 120 days. As a result of this new policy, the Chinese Ministry of Commerce (MOFCOM) surged scheduling of end-use checks, allowing BIS to complete 116 checks on 99 entities in FY2023.
- Overall, conducted a record 1,509 end-use checks around the world.
- Worked with the Department of Justice to complete a record 67 criminal convictions, including electronic items to Russia, aircraft parts to Iran, machine tools to Russia, photoresist chemicals to a Listed Entity in China, and stolen government

technical manuals to various countries, and firearms to various countries, resulting also in a record number of months of imprisonment (nearly 1,800).

- Imposed highest number ever of post-conviction denial orders (102) and issued six administrative orders in cases involving firearms accessories Austria and Switzerland, a jig grinder to Russia, military electronics technology to China and Germany, communications equipment to Iran and Jordan, encryption software to Russia and Ukraine, and weapon sights to South Korea. BIS also issued its largest stand-alone civil penalty of \$300 million related to violations of the Huawei foreign direct product rule.
- Nominations from Export Enforcement resulted in the addition to the Entity List of more than 465 parties from China, Russia, Iran, and elsewhere.
- Imposed over \$425,000 in penalties on companies for alleged violations of the antiboycott regulations.

**Department of Commerce
BUREAU OF INDUSTRY AND SECURITY
Salaries and Expenses
Program Changes for 2025, Enabling Enforcement Effectiveness
(Dollar amounts in thousands)**

		FY 2025 Base		FY 2025 Estimate		Increase/Decrease from 2025 Base	
		Personnel	Amount	Personnel	Amount	Personnel	Amount
Export Enforcement	Pos/BA	247	93,480	253	101,480	6	8,000
	FTE/Obl.	247	93,480	251	101,480	4	8,000

Enabling Enforcement Effectiveness (+\$8,000, 4 FTE/6 Positions) - This funding increase of \$8,000,000 will allow BIS to maintain Export Control Officers (ECO) in Finland and Taiwan as full-time resources to conduct end-use checks in these and surrounding countries, as well as to increase its ability to monitor compliance with new controls on semiconductors destined for China; and hire two ECOs and export control analysts in Central and South America to address diversions to China, Russia, Iran, and arms traffickers. This request also includes contract support funding to: train and equip law enforcement officers (e.g., body cameras, ammunition, protective gear, training); and enable EE to efficiently process licenses notwithstanding the increasing volume of licenses resulting from new controls on firearms, Russia, and China that require coding to link transaction parties to parties on Export Enforcement’s “Watch List,” Bona Fides Information Reports (BFIRs), and intelligence screens. The combination of these investments will increase officer safety and the number of transactions that raise diversion red flags, that are prevented, or that are investigated for violations of BIS export controls, all enhancing U.S. national security.

Pursuant to the FY 2022 Ukraine Supplemental, BIS was resourced to hire 26 positions for one-year limited term appointments, including the expansion of the ECO program in Finland and Taiwan to conduct end-use checks targeted at diversion of U.S. controlled items to Russia. In FY 2023, 24 of these positions were funded via an enacted appropriation. BIS requires two additional positions to establish full-time ECOs in Finland and Taiwan. In addition to the ongoing Russian invasion, changes in U.S. export controls related to China’s access to semiconductors increases the importance of the presence in Taiwan, given that China is wholly dependent on Taiwanese semiconductor fabrication facilities to produce cutting-edge semiconductors. This technology is now subject to BIS’s foreign-direct product rule (FDPR) controls, and thus require enforcement monitoring. BIS also requires two new positions to establish full-time ECOs in Central and South America and two new analyst positions. Since the further invasion of Ukraine, U.S. exports to Central and South America have increased while exports from Central and South America have also increased, particularly of commodities highly sought by Russia for the war effort. The new ECO and analyst positions would conduct

end-use checks targeting diversion of U.S. controlled items to Russia, China, and Iran through the region, as well as to prevent and identify illicit flows of guns to Central and South America.

Additionally, \$3 million will be used for Special Agent training, ammunition, officer safety equipment (e.g., body armor, body cameras), and computer forensic capabilities (e.g., computers) necessary for investigative readiness and support; uniquely coding all transaction parties to license applications to enable automated enforcement “Watch List” screens and screens against proscribed party lists of Commerce (e.g., Entity List), State, and Treasury (e.g., Specially Designated Nationals List); and developing BFIRs that provide all-source intelligence to licensing officers across the Departments of Commerce, Defense, Energy, and State.

Performance Measures:

	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Without requested program change	The absence of additional funding will require BIS to abandon its ECO positions in Finland and Taiwan, which has both funding and operational implications. The inability for BIS to have a dedicated presence in Central and South America will directly reduce BIS’s ability to prevent and deter diversion of items to Russia for use in its invasion of Ukraine. No contract funding for EE analytic and investigative operations will directly affect both	The absence of additional funding will require BIS to abandon its ECO positions in Finland and Taiwan, which has both funding and operational implications. The inability for BIS to have a dedicated presence in Central and South America will directly reduce BIS’s ability to prevent and deter diversion of items to Russia for use in its invasion of Ukraine. No contract funding for EE analytic and investigative operations will directly affect both	The absence of additional funding will require BIS to abandon its ECO positions in Finland and Taiwan, which has both funding and operational implications. The inability for BIS to have a dedicated presence in Central and South America will directly reduce BIS’s ability to prevent and deter diversion of items to Russia for use in its invasion of Ukraine. No contract funding for EE analytic and investigative operations will directly affect both	The absence of additional funding will require BIS to abandon its ECO positions in Finland and Taiwan, which has both funding and operational implications. The inability for BIS to have a dedicated presence in Central and South America will directly reduce BIS’s ability to prevent and deter diversion of items to Russia for use in its invasion of Ukraine. No contract funding for EE analytic and investigative operations will directly affect both	The absence of additional funding will require BIS to abandon its ECO positions in Finland and Taiwan, which has both funding and operational implications. The inability for BIS to have a dedicated presence in Central and South America will directly reduce BIS’s ability to prevent and deter diversion of items to Russia for use in its invasion of Ukraine. No contract funding for EE analytic and investigative operations will directly affect both

With requested program change	<p>BIS licensing and enforcement operations EE will maintain the two ECOs deployed to Finland and Taiwan pursuant to the Ukraine Supplemental and establish two new ECOs deployed to Central and South America, allowing it to sustain its end-use check coverage and capacity building as the Russian invasion of Ukraine continues and BIS has expanded its controls on both Russia and China since the supplemental was passed. Contract support will augment BIS positions through the provision of coding and BFIR services, the sustainment of data fusion capabilities tailored to BIS</p>	<p>BIS licensing and enforcement operations EE will maintain the two ECOs deployed to Finland and Taiwan pursuant to the Ukraine Supplemental and establish two new ECOs deployed to Central and South America, allowing it to sustain its end-use check coverage and capacity building as the Russian invasion of Ukraine continues and BIS has expanded its controls on both Russia and China since the supplemental was passed. Contract support will augment BIS positions through the provision of coding and BFIR services, the sustainment of data fusion capabilities tailored to BIS</p>	<p>BIS licensing and enforcement operations EE will maintain the two ECOs deployed to Finland and Taiwan pursuant to the Ukraine Supplemental and establish two new ECOs deployed to Central and South America, allowing it to sustain its end-use check coverage and capacity building as the Russian invasion of Ukraine continues and BIS has expanded its controls on both Russia and China since the supplemental was passed. Contract support will augment BIS positions through the provision of coding and BFIR services, the sustainment of data fusion capabilities tailored to BIS</p>	<p>BIS licensing and enforcement operations EE will maintain the two ECOs deployed to Finland and Taiwan pursuant to the Ukraine Supplemental and establish two new ECOs deployed to Central and South America, allowing it to sustain its end-use check coverage and capacity building as the Russian invasion of Ukraine continues and BIS has expanded its controls on both Russia and China since the supplemental was passed. Contract support will augment BIS positions through the provision of coding and BFIR services, the sustainment of data fusion capabilities tailored to BIS</p>	<p>BIS licensing and enforcement operations EE will maintain the two ECOs deployed to Finland and Taiwan pursuant to the Ukraine Supplemental and establish two new ECOs deployed to Central and South America, allowing it to sustain its end-use check coverage and capacity building as the Russian invasion of Ukraine continues and BIS has expanded its controls on both Russia and China since the supplemental was passed. Contract support will augment BIS positions through the provision of coding and BFIR services, the sustainment of data fusion capabilities tailored to BIS</p>
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	needs, and training, readiness, and operations of Special Agents.	needs, and training, readiness, and operations of Special Agents.	needs, and training, readiness, and operations of Special Agents.	needs, and training, readiness, and operations of Special Agents.	needs, and training, readiness, and operations of Special Agents.
Outyear Cost: Direct Obligations: Uncapitalized	8,000	8,160	8,323	8,490	8,659
Budget Authority: Outlays	6,800	7,752	8,291	8,457	8,626
FTE	6	6	6	6	6
Positions	4	4	4	4	4

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

Activity: Export Enforcement
 Subactivity: N/A
 Program Change: Enabling Enforcement Effectiveness

Full-time permanent

Title	Grade	Number	Annual Salary	Total Salaries
Enforcement Analyst	13	2	133,692	267,384
Export Control Officer	14	4	157,982	631,928
Total		6		899,312
Plus: ECO Availability Pay (LEAP)				157,982
Less lapse		(2)		(264,324)
Total full-time permanent (FTE)		4		792,971
2025 pay Adjustment (2.0%)				15,859
Total				808,830

Personnel Data Summary

Full-time Equivalent Employment (FTE)	
Full-time permanent	4
Part-time permanent	0
Full-time temporary	0
Part-time temporary	0
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Total FTE	4
Authorized Positions	
Full-time permanent	6
Part-time permanent	0
Full-time temporary	0
Part-time temporary	0
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Total Positions	6

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

Activity: Export Enforcement

Object Class	FY 2023 Actuals	FY 2024 CR Annualized	FY 2025 Base	FY 2025 Estimate	Increase/Decrease from FY 2025 Base
11.1 Full-time permanent compensation	24,370	33,424	30,655	31,343	688
11.3 Other than full-time permanent	89	0	0	0	0
11.5 Other personnel compensation	4,134	4,378	4,393	4,514	121
11.8 Special personal services payments	0	0	0	0	0
11.9 Total personnel compensation	28,593	37,802	35,048	35,857	809
12.1 Civilian personnel benefits	14,416	17,684	15,570	15,950	380
13 Benefits for former personnel	0	0	0	0	0
21 Travel and transportation of persons	1,937	2,043	2,056	2,202	146
22 Transportation of things	424	330	334	336	2
23 Rent, communications, and utilities	0	0	0	0	0
23.1 Rental payments to GSA	3,902	3,174	3,699	3,765	66
23.2 Rental payments to others	0	0	0	0	0
23.3 Communications, utilities, and misc. charges	1,830	1,344	1,187	1,194	7
24 Printing and reproduction	27	22	35	41	6
25 Other contractual services	0	0	0	0	0
25.1 Advisory and assistance services	1,492	1,435	1,435	1,435	0
25.2 Other services from non-federal sources	9,655	10,201	10,201	12,759	2,558
25.3 Other goods and services from federal sources	20,336	17,012	21,232	25,172	3,940
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	4,986	1,709	1,738	1,750	12
31 Equipment	127	912	935	1,009	74
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	31	9	9	9	0
44 Refunds	0	0	0	0	0
99.9 Total obligations	87,756	93,677	93,480	101,480	8,000

Department of Commerce
BUREAU OF INDUSTRY AND SECURITY
Salaries and Expenses
Program Changes for 2025, BIS System Modernization
(Dollar amounts in thousands)

		FY 2025 Base		FY 2025 Estimate		Increase/Decrease from 2025 Base	
		Personnel	Amount	Personnel	Amount	Personnel	Amount
Export Enforcement	Pos/BA	247	93,480	248	95,222	1	1,742
	FTE/Obl.	247	93,480	248	95,222	1	1,742

BIS System Modernization (+\$1,742, 1 FTE/1 Positions) - This funding increase of \$1,742,000 will allow BIS to design, develop, test, implement, and ultimately replace current mission applications with Cloud-based COTS capabilities. BIS specifically plans to focus on two primary applications: the Simplified Network Application Process (SNAP-R) and the Investigative Management System (IMS-R), which date back to 2006 and 2008. Although migrated to the Cloud and patched multiple times, these applications are buckling under the Bureau’s significantly expanded workload. Since SNAP-R and IMS-R first went live, BIS has seen an over 250% increase in export license applications, from 14,966 in 2006, to 38,398 in 2023. Moreover, major regulatory changes and world events of the past two decades have only increased the complexity of both export license decision making and export enforcement investigations, and increased emphasis on its national security mission.

This request is the beginning of a multi-phased effort that will replace these antiquated and poorly performing systems. In FY 2025, BIS will establish a design and development team, identify customer requirements, begin the design process, and define and implement a more effective, and integrated data structure to provide the foundation for systems development. The replacement systems will enable BIS’s Licensing Officers and Enforcement Agents to maintain and enforce a more effective and efficient national export control regime. In addition, modern applications may also improve industry compliance and minimize lost sales due to technical inefficiencies. They will also enable BIS to continually address new requirements and threats, analyze the trade data landscape to adjust export policy and patrol for violators, update our systems when regulatory changes occur, secure our enterprise in today’s cyberthreat landscape, and respond to inquiries from all sources, including from the administration, Congress, and the public.

Performance Measures:	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Without requested program change	BIS will continue experiencing significant cybersecurity vulnerabilities and using old, limited digital tools that constrain mission success.	BIS will continue experiencing significant cybersecurity vulnerabilities and using old, limited digital tools that constrain mission success.	BIS will continue experiencing significant cybersecurity vulnerabilities and using old, limited digital tools that constrain mission success.	BIS will continue experiencing significant cybersecurity vulnerabilities and using old, limited digital tools that constrain mission success.	BIS will continue experiencing significant cybersecurity vulnerabilities and using old, limited digital tools that constrain mission success.
With requested program change	BIS will be able to secure the agency in the modern cyberthreat landscape and address today's mission requirements.	BIS will be able to secure the agency in the modern cyberthreat landscape and address today's mission requirements.	BIS will be able to secure the agency in the modern cyberthreat landscape and address today's mission requirements.	BIS will be able to secure the agency in the modern cyberthreat landscape and address today's mission requirements.	BIS will be able to secure the agency in the modern cyberthreat landscape and address today's mission requirements.
Outyear Cost:					
Direct Obligations:					
Uncapitalized	1,742	1,777	1,812	1,849	1,886
Budget Authority:					
Outlays	1,481	1,688	1,805	1,841	1,878
FTE	1	1	1	1	1
Positions	1	1	1	1	1

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

Activity: Export Enforcement
 Subactivity: N/A
 Program Change: BIS System Modernization Mission IT Systems

Full-time permanent

Title	Grade	Number	Annual Salary	Total Salaries
Program Manager	15	1	185,824	185,824
Total		1		185,824
Less lapse	25.00%	(0)		(46,456)
Total full-time permanent (FTE)		1		139,368
2025 pay Adjustment (2%)				2,787
Total				142,155

Personnel Data Summary

Full-time Equivalent Employment (FTE)	
Full-time permanent	1
Part-time permanent	0
Full-time temporary	0
Part-time temporary	0
<hr/>	<hr/>
Total FTE	1
Authorized Positions	
Full-time permanent	1
Part-time permanent	0
Full-time temporary	0
Part-time temporary	0
<hr/>	<hr/>
Total Positions	1

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

Activity: Export Enforcement

Object Class	FY 2023 Actuals	FY 2024 CR Annualized	FY 2025 Base	FY 2025 Estimate	Increase/Decrease from FY 2025 Base
11.1 Full-time permanent compensation	24,370	33,424	30,655	30,798	142
11.3 Other than full-time permanent	89	0	0	0	0
11.5 Other personnel compensation	4,134	4,378	4,393	4,393	0
11.8 Special personal services payments	0	0	0	0	0
11.9 Total personnel compensation	28,593	37,802	35,048	35,190	142
12.1 Civilian personnel benefits	14,416	17,684	15,570	15,616	45
13 Benefits for former personnel	0	0	0	0	0
21 Travel and transportation of persons	1,937	2,043	2,056	2,062	6
22 Transportation of things	424	330	334	334	0
23 Rent, communications, and utilities	0	0	0	0	0
23.1 Rental payments to GSA	3,902	3,174	3,699	3,710	11
23.2 Rental payments to others	0	0	0	0	0
23.3 Communications, utilities, and misc. charges	1,830	1,344	1,187	1,187	0
24 Printing and reproduction	27	22	35	36	1
25 Other contractual services	0	0	0	0	0
25.1 Advisory and assistance services	1,492	1,435	1,435	1,435	0
25.2 Other services from non-federal sources	9,655	10,201	10,201	11,612	1,411
25.3 Other goods and services from federal sources	20,336	17,012	21,232	21,348	115
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	4,986	1,709	1,738	1,739	1
31 Equipment	127	912	935	944	9
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	31	9	9	9	0
44 Refunds	0	0	0	0	0
99.9 Total obligations	87,756	93,677	93,480	95,222	1,742

**Department of Commerce
BUREAU OF INDUSTRY AND SECURITY
Salaries and Expenses
Program Changes for 2025, IT and Telecommunications Contract Support and Agreements Reduction
(Dollar amounts in thousands)**

		FY 2025 Base		FY 2025 Estimate		Increase/Decrease from 2025 Base	
		Personnel	Amount	Personnel	Amount	Personnel	Amount
Export Enforcement	Pos/BA	247	93,480	247	90,868	0	(2,612)
	FTE/Obl.	247	93,480	247	90,868	0	(2,612)

IT and Telecommunications Contract Support and Agreements Reduction (-\$2,612, 0 FTE/0 Positions) - BIS proposes a reduction of (\$2,611,875) for BIS IT application, data management, and telecommunications initiatives currently funded within the BIS base budget. Although BIS has plans to continue working on enterprise-wide infrastructure upgrades, such as the enhancement of its website platform, full functionality of the data management and searchability of the Commerce USXPORTS Exporter Support System (CUESS), and installation of upgraded network telecommunications connectivity for new field offices, it plans to defer and/or delay further improvements of these systems and applications.

Performance Measures:	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Without requested program change	BIS will have the capacity to support projected 2	BIS will have the capacity to support projected 2	BIS will have the capacity to support projected 2	BIS will have the capacity to support projected 2	BIS will have the capacity to support projected 2

	million annual site visits and be in compliance with FITARA and IDEA, as well as be able to fully migrate its CUESS data system and provide secure and modern investments in field office connectivity.	million annual site visits and be in compliance with FITARA and IDEA, as well as be able to fully migrate its CUESS data system and provide secure and modern investments in field office connectivity.	million annual site visits and be in compliance with FITARA and IDEA, as well as be able to fully migrate its CUESS data system and provide secure and modern investments in field office connectivity.	million annual site visits and be in compliance with FITARA and IDEA, as well as be able to fully migrate its CUESS data system and provide secure and modern investments in field office connectivity.	million annual site visits and be in compliance with FITARA and IDEA, as well as be able to fully migrate its CUESS data system and provide secure and modern investments in field office connectivity.
With requested program change	BIS will be unable to have the capacity to support a portion of the projected increased site visits; will be unable to fully migrate to CUESS; and will rely on less efficient network connectivity.	BIS will be unable to have the capacity to support a portion of the projected increased site visits; will be unable to fully migrate to CUESS; and will rely on less efficient network connectivity.	BIS will be unable to have the capacity to support a portion of the projected increased site visits; will be unable to fully migrate to CUESS; and will rely on less efficient network connectivity.	BIS will be unable to have the capacity to support a portion of the projected increased site visits; will be unable to fully migrate to CUESS; and will rely on less efficient network connectivity.	BIS will be unable to have the capacity to support a portion of the projected increased site visits; will be unable to fully migrate to CUESS; and will rely on less efficient network connectivity.
Outyear Cost:					
Direct Obligations:					
Uncapitalized	(2,612)	(2,664)	(2,717)	(2,772)	(2,827)
Budget Authority:					

Outlays	(2,220)	(2,531)	(2,707)	(2,761)	(2,816)
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
(Direct Obligations amounts in thousands)

Activity: Export Enforcement

Object Class	FY 2023 Actuals	FY 2024 CR Annualized	FY 2025 Base	FY 2025 Estimate	Increase/Decrease from FY 2025 Base
11.1 Full-time permanent compensation	24,370	33,424	30,655	30,655	0
11.3 Other than full-time permanent	89	0	0	0	0
11.5 Other personnel compensation	4,134	4,378	4,393	4,393	0
11.8 Special personal services payments	0	0	0	0	0
11.9 Total personnel compensation	28,593	37,802	35,048	35,048	0
12.1 Civilian personnel benefits	14,416	17,684	15,570	15,570	0
13 Benefits for former personnel	0	0	0	0	0
21 Travel and transportation of persons	1,937	2,043	2,056	2,056	0
22 Transportation of things	424	330	334	334	0
23 Rent, communications, and utilities	0	0	0	0	0
23.1 Rental payments to GSA	3,902	3,174	3,699	3,699	0
23.2 Rental payments to others	0	0	0	0	0
23.3 Communications, utilities, and misc. charges	1,830	1,344	1,187	1,187	0
24 Printing and reproduction	27	22	35	35	0
25 Other contractual services	0	0	0	0	0
25.1 Advisory and assistance services	1,492	1,435	1,435	1,435	0
25.2 Other services from non-federal sources	9,655	10,201	10,201	8,286	(1,915)
25.3 Other goods and services from federal sources	20,336	17,012	21,232	20,535	(697)
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	4,986	1,709	1,738	1,738	0
31 Equipment	127	912	935	935	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	31	9	9	9	0
44 Refunds	0	0	0	0	0
99.9 Total obligations	87,756	93,677	93,480	90,868	(2,612)

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

Object Class	FY 2023 Actual	FY 2024 CR Annualized	FY 2025 Base	FY 2025 Estimate	Increase/Decrease from FY 2025 Base
11.1 Full-time permanent compensation	52,756	76,035	73,638	76,537	2,899
11.3 Other than full-time permanent	87	0	0	0	0
11.5 Other personnel compensation	4,881	5,028	5,062	5,183	121
11.8 Special personal services payments	0	0	0	0	0
11.9 Total personnel compensation	57,725	81,063	78,700	81,720	3,020
12.1 Civilian personnel benefits	24,813	33,412	29,222	30,310	1,088
13 Benefits for former personnel	0	0	0	0	0
21 Travel and transportation of persons	2,677	2,825	2,855	3,121	266
22 Transportation of things	428	425	434	443	9
23 Rent, communications, and utilities	0	0	0	0	0
23.1 Rental payments to GSA	7,844	6,159	7,215	7,501	286
23.2 Rental payments to others	0	0	0	0	0
23.3 Communications, utilities, and misc. charges	3,541	3,340	3,024	3,033	9
24 Printing and reproduction	988	1,293	1,322	1,347	25
25 Other contractual services	0	0	0	0	0
25.1 Advisory and assistance services	8,091	8,091	8,091	8,091	0
25.2 Other services from non-Federal sources	36,153	29,755	29,755	36,349	6,594
25.3 Other goods and services from Federal sources	37,305	34,549	42,939	45,536	2,597
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	8,079	3,064	3,131	3,153	22

31	Equipment	193	2,463	2,517	2,767	250
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	71	20	20	20	0
44	Refunds	0	0	0	0	0
99.9	Total obligations	187,908	206,459	209,225	223,392	14,167
	Less prior year recoveries	(6,404)	(5,150)	0	0	0
	Less prior year unobligated balance, start of year	(1,889)	(10,309)	0	0	0
	Plus prior year unobligated balance, end of year	10,309	0	0	0	0
	Unobligated balance expiring	1,076	0	0	0	0
	Total Budget Authority	191,000	191,000	209,225	223,392	14,167
Personnel Data						
Full-time Equivalent Employment						
	Full-time permanent	412	551	578	597	19
	Other than full-time permanent	3	3	5	5	0
	Total	415	556	585	604	19
Authorized Positions:						
	Full-time permanent	578	578	578	604	26
	Other than full-time permanent	5	5	5	5	0
	Total	585	585	585	611	26

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

Object Class	FY 2023 Actual	FY 2024 CR Annualized	FY 2025 Base	FY 2025 Estimate	Increase/Decrease from FY 2025 Base
11.1 Full-time permanent compensation	2,973	10,330	14,238	15,047	809
11.3 Other than full-time permanent	0	0	0	0	0
11.5 Other personnel compensation	59	50	56	56	0
11.8 Special personal services payments	0	0	0	0	0
11.9 Total personnel compensation	3,032	10,380	14,294	15,103	809
12.1 Civilian personnel benefits	1,139	4,264	4,188	4,447	259
13 Benefits for former personnel	0	0	0	0	0
21 Travel and transportation of persons	117	376	381	424	42
22 Transportation of things	0	3	5	7	3
23 Rent, communications, and utilities	0	0	0	0	0
23.1 Rental payments to GSA	275	781	818	896	78
23.2 Rental payments to others	0	0	0	0	0
23.3 Communications, utilities, and misc. charges	119	802	791	792	1
24 Printing and reproduction	5	756	761	768	7
25 Other contractual services	0	0	0	0	0
25.1 Advisory and assistance services	751	1,529	1,529	1,529	0
25.2 Other services from non-federal sources	14,411	7,272	7,272	5,645	(1,627)
25.3 Other goods and services from federal sources	5,462	4,152	4,442	3,001	(1,442)
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	241	380	392	396	4

31	Equipment	5	698	708	770	62
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	10	1	1	1	0
44	Refunds	0	0	0	0	0
99.9	Total obligations	25,567	31,394	35,583	33,778	(1,805)
	Less prior year recoveries	(88)	(180)	0	0	0
	Less prior year unobligated balance, start of year	(66)	(361)	0	0	0
	Plus prior year unobligated balance, end of year	5,406	0	0	0	0
	Unobligated balance expiring	38	0	0	0	0
	Total Budget Authority	30,857	30,853	35,583	33,778	(1,805)
Personnel Data						
Full-time Equivalent Employment						
	Full-time permanent	21	100	120	125	5
	Other than full-time permanent	0	0	0	0	0
	Total	21	100	120	125	5
Authorized Positions:						
	Full-time permanent	120	120	120	127	7
	Other than full-time permanent	0	0	0	0	0
	Total	120	120	120	127	7

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

Object Class	FY 2023 Actual	FY 2024 CR Annualized	FY 2025 Base	FY 2025 Estimate	Increase/Decrease from FY 2025 Base
11.1 Full-time permanent compensation	25,413	32,282	28,745	30,005	1,260
11.3 Other than full-time permanent	(2)	0	0	0	0
11.5 Other personnel compensation	688	600	613	613	0
11.8 Special personal services payments	0	0	0	0	0
11.9 Total personnel compensation	26,099	32,882	29,358	30,618	1,260
12.1 Civilian personnel benefits	9,258	11,463	9,464	9,867	403
13 Benefits for former personnel	0	0	0	0	0
21 Travel and transportation of persons	622	406	417	489	72
22 Transportation of things	5	92	95	100	4
23 Rent, communications, and utilities	0	0	0	0	0
23.1 Rental payments to GSA	3,667	2,204	2,698	2,829	131
23.2 Rental payments to others	0	0	0	0	0
23.3 Communications, utilities, and misc. charges	1,592	1,194	1,046	1,048	1
24 Printing and reproduction	956	515	526	538	12
25 Other contractual services	0	0	0	0	0
25.1 Advisory and assistance services	5,849	5,127	5,127	5,127	0
25.2 Other services from non-federal sources	12,087	12,282	12,282	18,450	6,168
25.3 Other goods and services from federal sources	11,507	13,385	17,264	17,944	680
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	2,852	975	1,001	1,007	6

31	Equipment	61	853	874	978	105
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	30	10	10	10	0
44	Refunds	0	0	0	0	0
99.9	Total obligations	74,585	81,388	80,162	89,004	8,842
	Less prior year recoveries	(2,823)	(2,408)	0	0	0
	Less prior year unobligated balance, start of year	(883)	(4,819)	0	0	0
	Plus prior year unobligated balance, end of year	2,983	0	0	0	0
	Unobligated balance expiring	503	0	0	0	0
	Total Budget Authority	74,365	74,161	80,162	89,004	8,842

Personnel Data

Full-time Equivalent Employment

Full-time permanent	189	214	215	224	9
Other than full-time permanent	2	2	3	3	0
Total	191	216	218	227	9

Authorized Positions:

Full-time permanent	215	215	215	227	12
Other than full-time permanent	3	3	3	3	0
Total	218	218	218	230	12

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

Object Class	FY 2023 Actual	FY 2024 CR Annualized	FY 2025 Base	FY 2025 Estimate	Increase/Decrease from FY 2025 Base
11.1 Full-time permanent compensation	24,370	33,424	30,655	31,486	830
11.3 Other than full-time permanent	89	0	0	0	0
11.5 Other personnel compensation	4,134	4,378	4,393	4,514	121
11.8 Special personal services payments	0	0	0	0	0
11.9 Total personnel compensation	28,593	37,802	35,048	35,999	951
12.1 Civilian personnel benefits	14,416	17,684	15,570	15,996	425
13 Benefits for former personnel	0	0	0	0	0
21 Travel and transportation of persons	1,937	2,043	2,056	2,208	152
22 Transportation of things	424	330	334	336	2
23 Rent, communications, and utilities	0	0	0	0	0
23.1 Rental payments to GSA	3,902	3,174	3,699	3,776	77
23.2 Rental payments to others	0	0	0	0	0
23.3 Communications, utilities, and misc. charges	1,830	1,344	1,187	1,194	7
24 Printing and reproduction	27	22	35	42	7
25 Other contractual services	0	0	0	0	0
25.1 Advisory and assistance services	1,492	1,435	1,435	1,435	0
25.2 Other services from non-federal sources	9,655	10,201	10,201	12,255	2,054
25.3 Other goods and services from federal sources	20,336	17,012	21,232	24,591	3,358
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	4,986	1,709	1,738	1,751	13

31	Equipment	127	912	935	1,018	83
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	31	9	9	9	0
44	Refunds	0	0	0	0	0
99.9	Total obligations	87,756	93,677	93,480	100,610	7,130
	Less prior year recoveries	(3,49)	(2,562)	0	0	0
	Less prior year unobligated balance, start of year	(940)	(5,129)	0	0	0
	Plus prior year unobligated balance, end of year	1,920	0	0	0	0
	Unobligated balance expiring	535	0	0	0	0
	Total Budget Authority	85,778	85,986	93,480	100,610	7,130

Personnel Data

Full-time Equivalent Employment

Full-time permanent	202	239	245	250	5
Other than full-time permanent	1	1	2	2	0
Total	203	240	247	252	5

Authorized Positions:

Full-time permanent	245	245	245	252	7
Other than full-time permanent	2	2	2	2	0
Total	247	247	247	254	7

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

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

50 U.S.C. 4801-4852
50 U.S.C. 4601 et seq.
10 U.S.C. 7430(e)
22 U.S.C. 2778
22 U.S.C. 2799aa-1(b)
22 U.S.C. 6001-6005
22 U.S.C. 7201-7211
22 U.S.C. 8544
22 U.S.C. 8551(c)(2)
42 U.S.C. 2139a
15 U.S.C. 1824a
50 U.S.C. 1701 et seq.

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

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

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

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

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

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

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

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

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

(1) the provisions of the Export Administration Act of 1979;

(2) Accountability, and Divestment Act of 2010, a provision of Title III of the Comprehensive Iran Sanctions, or any other provision of law relating to export controls with respect to which the Secretary of Commerce has enforcement responsibility; or

(3) any license, order, or regulation issued under the Export Administration Act of 1979 or any other provision of law relating to export controls with respect to which the Secretary of Commerce has enforcement responsibility.

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

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

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

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

B. National Security

10 U.S.C. 2531-2532
19 U.S.C. 1862
22 U.S.C. 6701 et seq.
22 U.S.C. 8101 et seq.
42 U.S.C. 300j
42 U.S.C. 5195
50 U.S.C. 82
50 U.S.C. 98-98h
50 U.S.C. 3816
50 U.S.C. 4501 et seq.

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

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

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

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

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

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

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

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

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

50 U.S.C. 3816 provides for U.S. Government procurement of any articles or materials authorized by Congress (responsibility for all articles and materials except food, energy, and civil transportation delegated to the Secretary of Commerce in Executive Order 12742, January 8, 1991).

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

1. 50 U.S.C. 4511 provides for U.S. Government priority rating of contracts and orders necessary to promote the national defense;
2. 50 U.S.C. 4568 authorizes the Secretary of Commerce to produce the Annual Report on Offsets;
3. 50 U.S.C. 4554 authorizes the President to prescribe such regulations and issue orders appropriate to carry out the Defense Priorities and Allocations System;
4. 50 U.S.C. 4555 authorizes the conduct of investigations and production of records and other documents;
5. The Department of Commerce also is authorized to conduct studies and assessments of the health and competitiveness of the U.S defense industrial base; and
6. Executive Order 13603, March 16, 2012, delegates to the Secretary of Commerce, in whole or part, authorities one through five, above, as functions of that cabinet post.
7. 50 U.S.C. 4565 provides for an interagency committee to determine the effects on national security of mergers, acquisitions, and takeovers that would result in foreign control of persons engaged in interstate commerce in the United States.
8. The Department of Commerce—via BIS and the International Trade Administration (ITA)—participates as a member of the Committee on Foreign Investment in the United States (CFIUS).

C. Other

15 U.S.C. 1501 et seq.

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

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

15 U.S.C. 1531
22 U.S.C. 3922

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

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

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

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

No Specific Authority

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

4. Employment of Americans and aliens by contract for services abroad;

No Specific Authority

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

- Federal agencies must have specific legislative authority to procure personal services by contract.
- This appropriation language gives BIS the flexibility to procure, by contract, services of U.S. citizens or aliens as appropriate.
- In some cases, it is advantageous to employ aliens who are fluent in the native language of the host country; who are familiar with local practices and procedures; or who only need to be employed for a short period of time.

- In other cases, it is advantageous to employ U.S. citizens in the host country (generally members of an employee's family) who have greater familiarity with American methods and may require less effort to train.

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

No Specific Authority

- 28 U.S.C. 2672 provides for settlement of tort claims for money damages of \$25,000 or less against the U.S.
- The head of each Federal agency retains that authority for loss of property, personal injury, or death caused by a negligent or wrongful act or omission of any employee of the Government while acting within the scope of his employment.
- The provision applies in circumstances where the United States, if it were a private person, would be liable under local law.
- However, 28 U.S.C. 2680(k) exempts the settlement of tort claims that arise abroad from the provisions of 28 U.S.C. 2672.
- The language requested would exempt BIS from 28 U.S.C. 2680 and would authorize the settlement of tort claims against the United States that arise in connection with its activities abroad.

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

No Specific Authority

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

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

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

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

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

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

No Specific Authority

31 U.S.C. 1343 prohibits the purchase of passenger motor vehicles unless specifically authorized by appropriation or other law with the exception of those vehicles purchased for the use of the President of the United States, the secretaries to the President, or specified heads of executive departments.

9. ... To remain available until expended,

No Specific Authority

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

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

22 U.S.C. 2455(f)

22 U.S.C. 2458(c)

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

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

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

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

Department of Commerce
BUREAU OF INDUSTRY AND SECURITY
Operations and Administration
Advisory and Assistance Services
(Dollar amounts in thousands)

	FY 2023	FY 2024	FY 2025
	Actual	CR Annualized	Estimate
Consulting Services	8,091	8,091	8,091
Management and Professional Services	0	0	0
Special Studies and Analyses	0	0	0
Management and Support Services for Research and Development	0	0	0
Total	8,091	8,091	8,091

BUREAU OF INDUSTRY AND SECURITY
Operations and Administration
Periodicals, Pamphlets and Audiovisual Materials

	FY 2023	FY 2024	FY 2025
	Actual	CR Annualized	Estimate
Periodicals	988	1,293	1,347
Pamphlets	0	0	0
Audiovisuals	0	0	0
Total	988	1,293	1,347

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**

	FY 2023 Actual	FY 2024 CR Annualized	FY 2025 Estimate
Average ES Grade	3	4	4
Average GS/GM Grade	13-04	13-07	13-04
Average GS/GM Salary	175	186	184

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

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.

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

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

Report Number	GAO-20-517
Report Title	Steel and Aluminum Tariffs: Commerce Should Improve Its Exclusion Request Process and Economic Impact Reviews
Issue Date	September 2020
Recommendation Number	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	December 31, 2024
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 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	December 31, 2024
Closure Request Pending with GAO (Yes/No)	No
Clear Budget Implications (Yes/No)	Yes

Report Number	GAO-22-104564
Report Title	Steel and Aluminum Tariffs: Commerce Should Update Public Guidance to Reflect Changes in the Exclusion Process
Issue Date	December 2021

Recommendation Number	1
Recommendation	The Secretary of Commerce should ensure that the Acting Under Secretary of Commerce for Industry and Security creates a policy to regularly review and update the public Section 232 Exclusion Process guidance.
Target Implementation Date	December 31, 2024
Closure Request Pending with GAO (Yes/No)	No
Clear Budget Implications (Yes/No)	Yes

Report Number	GAO-22-104564
Report Title	Steel and Aluminum Tariffs: Commerce Should Update Public Guidance to Reflect Changes in the Exclusion Process
Issue Date	December 2021
Recommendation Number	2
Recommendation	The Secretary of Commerce should ensure that the Acting Under Secretary of Commerce for Industry and Security creates a policy to regularly assess and update its public guidance to ensure that it is consistent and accurately reflects the time the agency takes to decide Exclusion Requests.
Target Implementation Date	December 31, 2024
Closure Request Pending with GAO (Yes/No)	No
Clear Budget Implications (Yes/No)	Yes

Report Number	GAO-22-105727
Report Title	Export Controls: Enforcement Agencies Should Better Leverage Information to Target Efforts Involving U.S. Universities
Issue Date	June 2022
Recommendation Number	3
Recommendation	The Secretary of Commerce should ensure that the Under Secretary for Industry and Security implements a mechanism to periodically assess the relevance and sufficiency of risk factors used for

	prioritizing universities for outreach to address new or evolving threats to U.S. university research, including threats pertaining to sensitive technology transfers and unauthorized deemed exports.
Target Implementation Date	December 31, 2023
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

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 Completion Date	December 31, 2024
Reason No Final Action Taken or Action Not Recommended Taken	OIG determined that the proposed revision to the rule published in 88 FR, No. 165 does not fully meet the intent of the recommendation (i.e., BIS either modify the rule itself or modify its interpretation of the rule to require objectors to provide a public summary of CBI).
Closure Request Pending (Yes/No)	No

Report Number	OIG-23-008-1
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Report Title	Bureau of Industry and Security's Law Enforcement Oversight Policies and Procedures Need Improvement
Issue Date	January 2023
Recommendation Number	1
Recommendation	Ensure that written policies encompass all oversight activities performed
Target Completion Date	Complete
Reason No Final Action Taken or Action Not Recommended Taken	OIG has questions concerning BIS's closure request which was submitted on July 3, 2023.
Closure Request Pending (Yes/No)	Yes

Report Number	OIG-23-008-1
Report Title	Bureau of Industry and Security's Law Enforcement Oversight Policies and Procedures Need Improvement
Issue Date	January 2023
Recommendation Number	2
Recommendation	Implement controls to ensure that completed inspections and self-assessment are reviewed for completeness and accuracy
Target Completion Date	Complete
Reason No Final Action Taken or Action Not Recommended Taken	OIG has questions concerning BIS's closure request which was submitted on July 3, 2023.
Closure Request Pending (Yes/No)	Yes

Report Number	OIG-23-008-1
Report Title	Bureau of Industry and Security's Law Enforcement Oversight Policies and Procedures Need Improvement
Issue Date	January 2023
Recommendation Number	3
Recommendation	Require special agents to certify on an annual basis that they are not convicted of a misdemeanor crime of domestic violence
Target Completion Date	Complete

Reason No Final Action Taken or Action Not Recommended Taken	OIG has questions concerning BIS's closure request which was submitted on July 3, 2023.
Closure Request Pending (Yes/No)	Yes

Report Number	OIG-23-008-1
Report Title	Bureau of Industry and Security's Law Enforcement Oversight Policies and Procedures Need Improvement
Issue Date	January 2023
Recommendation Number	4
Recommendation	Include Lautenberg Amendment requirements in the Special Agent Manual and as an area of review during annual field office self-assessments and inspections
Target Completion Date	Complete
Reason No Final Action Taken or Action Not Recommended Taken	OIG has questions concerning BIS's closure request which was submitted on July 3, 2023.
Closure Request Pending (Yes/No)	Yes

Report Number	OIG-23-008-1
Report Title	Bureau of Industry and Security's Law Enforcement Oversight Policies and Procedures Need Improvement
Issue Date	January 2023
Recommendation Number	5
Recommendation	Implement policies and procedures to monitor and track firearm qualifications and training, which includes centralized monitoring by those responsible for ensuring compliance with requirements
Target Completion Date	March 31, 2024
Reason No Final Action Taken or Action Not Recommended Taken	Office of Export Enforcement (OEE) has identified, and awarded a contract to procure, a software for monitoring and tracking firearms qualifications, firearms training, firearms repair, and firearms inventory. This software will allow for monitoring by field firearms instructors, field supervision, and management, as well a Headquarters (HQ) firearms program managers and senior leaders. OEE will update the SAM to document and illustrate use of this software and data entry requirements.

	<p>OEE is working to fully implement the tracking abilities offered by this software, and its current objective is to have the system fully operational, which includes all of the supporting hardware, individual access information, and training by March 31, 2024, consistent with routine risk acceptance procedures for software use followed by BIS’s Office of Chief Information Officer.</p>
<p>Closure Request Pending (Yes/No)</p>	<p>No</p>

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
Description of Tribal Consultations**

In compliance with the Executive Order 13175 (Nov. 6, 2000), BIS has reviewed its activities to determine whether any of its programs have had a direct substantial effect on any Indian Tribal Nation, which would necessitate consultation with Tribal officials. BIS has determined that none of its current programs have had any such qualifying effects.

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

Overview of BIS Accomplishments

Export Controls and Sanctions on Russia in Support of Ukraine

Beginning on February 24, 2022, in response to the Russian Federation’s (Russia’s) further invasion of Ukraine, the Bureau of Industry and Security (BIS) added substantial new Russia license requirements and licensing policies to the Export Administration Regulations (EAR) to reflect U.S. national security and foreign policy interests. Since Russia’s invasion of Ukraine, BIS has published fifteen rules implementing stringent new export control requirements to restrict Russia’s access to items that it needs to project its power and fulfill its military ambitions. These new Russia measures, which were subsequently implemented for Belarus, imposed new license requirements, including for exports, reexports, and transfers (in-country) for items needed for Russian industry under the Russian and Belarusian industry sector sanctions, for specified luxury goods or within Russia/Belarus and to Russian/Belarusian oligarchs and malign actors regardless of location, and for foreign-produced items “destined to Russia/Belarus and Russian/Belarusian ‘military end users.’”

BIS has expanded existing controls by significantly expanding the scope of items subject to a license requirement for all items on the Commerce Control List, instituting a license review policy of denial for most exports to Russia/Belarus, and limiting the authorizations of license exceptions. BIS also significantly increased the number of entities on the Entity List (supplement no. 4 to part 744 of the EAR) in relation to Russia’s invasion of Ukraine, to more than 350 with nearly 300 of these located in Russia. The Entity List identifies entities for which there is reasonable cause to believe that they have been or will be posed a significant risk of involvement in activities contrary to the national security or foreign policy interests of the United States. Additionally, BIS issued joint compliance guidance with the Departments of Justice and Treasury on Russia-related export controls and sanctions evasion and voluntary self-disclosures and issued an industry advisory with the Departments of Justice, State, and Treasury on Iran’s Unmanned Aerial Vehicle (UAV)-related activities.

BIS has implemented a new policy for addressing situations where a foreign government prevents BIS from conducting end-use checks, establishing a process for adding parties to the Unverified List and then the Entity List if a foreign government prevents and continues to prevent the conduct of end-use checks. Since the implementation of this policy, BIS added 31 parties to the Unverified List and added nine entities to the Entity List. Following satisfactory completion of end-use checks according to this policy, BIS subsequently removed 62 parties from the Unverified List.

To support the enforcement of these policies, BIS launched the Disruptive Technology Strike Force (DTSF) to bring together criminal investigators and analysts from BIS, FBI, Homeland Security Investigations (HSI) with 14 U.S. Attorneys’ Offices in 12 metropolitan regions across the country, in order to target illicit actors, strengthen supply chains, and protect critical technologies from being acquired

or used by nation-state adversaries. Since enhanced Russia controls became effective on February 24, 2022, BIS conducted over 865 outreaches to companies, detained or seized 525 shipments valued at \$284.3 million, and opened 376 investigative cases.

BIS spent substantial time building support and cooperation with a range of international partners and allies to demonstrate our joint resolve, and to maximize the impact of our restrictions. Our coalition includes 38 of the most powerful economies in the world, and BIS continues to meet with other countries to urge their alignment with these stringent controls. An example of this includes the Disruptive Technology Protection Network with Japan and South Korea to multilateralize DTSF efforts as announced by the President. Further examples include BIS working with the Governments of Australia, Canada, New Zealand, and the United Kingdom (i.e., the Export Enforcement Five or E5) to formalize export control enforcement coordination, particularly regarding restricting Russia's access to technologies that fuel its unlawful invasion of Ukraine and signing an administrative cooperation arrangement with the European Anti-Fraud Office to share information related to potential diversion of export-controlled goods to Russia or for other illicit purposes. BIS has established an Enforcement Coordination Mechanism with G7 countries to bolster the enforcement of multilateral sanctions and export controls aimed at denying Russia the inputs it needs to equip its military and the revenue necessary to fund its illegal war. BIS has also established three additional overseas attaché positions to better monitor U.S. exports to Russia and China.

Following these initial measures, BIS enacted additional licensing requirements and prohibitions to support Ukraine by constraining the flow of U.S.-origin goods to Russia and Belarus. BIS accomplished this by expanding the scope of the Russian industry sector sanctions to include lower-level items potentially useful for Russia's chemical and biological weapons production capabilities and items needed for advanced production and manufacturing capabilities across relevant industries. To continue to degrade the two countries' ability to conduct war-related activities, BIS expanded the increased licensing requirements for items destined to entities designated as Russian and Belarusian 'military end users' and 'military-intelligence end users' anywhere in the world. These license requirements now include foreign-made items that are produced using U.S.-origin software and technology. BIS continues to update and revise its licensing requirements and prohibitions to continue alignment them with the European Union and allied countries. BIS has also imposed new export control measures on Iran to counter Iran's provision of Unmanned Aerial Vehicles (UAVs) to Russia.

In addition to imposing these substantial export control measures on Russian and Belarus, BIS, along with its interagency partners that review BIS license applications, played an important role in helping to expedite the review of license applications for exports and reexports of key items needed by the Ukrainians to defend themselves at this time. Since the start of the invasion, BIS has approved 741 licenses for a total dollar value of \$7.3 billion. In FY 2023, BIS approved 299 licenses to Ukraine for a total dollar value of \$4.2 billion. Since Russia's invasion of Ukraine in February 2022, BIS has expedited license applications for the export of equipment vital to Ukraine's defense against the Russian invasion as well as guiding and instructing exporters on submitting license applications. In total, from February 24, 2022 – September 30, 2023, BIS has reviewed 920 export license applications for Ukraine valued at almost \$9.5 billion. Of the 920 applications, 792 applications valued at \$7.4 billion were approved. As needed, BIS consulted with the Ukrainian government to confirm that that approved items are going to the intended recipients in Ukraine.

Finally, U.S. exports to Russia in categories of items subject to new U.S. export licensing requirements have decreased 96.0% in number of shipments and 91.7% by value as compared to the same time-period in 2020-2022 (September 21, 2020-February 23, 2022) according to prerelease data. Overall U.S. exports to Russia have decreased 88.5% in value over the same time-period in 2020-2022.

BIS has also implemented enhanced enforcement policies to strengthen antiboycott administrative enforcement procedures, including reclassification of violations according to seriousness, imposition of enhanced penalties, and elimination of “no admit, no deny” settlements. Additionally, BIS has developed and posted an antiboycott policy statement on U.S. acquisition management websites which clearly articulates the requirements of the antiboycott regulations and their applicability to U.S. government acquisition contracts and federal contractors, as well as changed the boycott request form(s) to specifically identify boycott requesters to facilitate investigations. To further support these efforts, BIS has implemented new guidance to further incentivize the submission of Voluntary Self-Disclosures and to encourage industry to disclose information concerning violations committed by others.

SO 1.4 - Protect national security interests and enforce trade laws. Commerce, through BIS, imposed the most expansive export controls ever levied against another major economy. The goal in designing these export controls was, and continues to be, to degrade Russia’s military capabilities by denying it critical supplies and to technologically isolate Russia. Throughout this process, we have worked closely with other countries. This level of cooperation significantly enhances the effectiveness of our controls as the United States alone accounted for less than 6% of Russia’s imports prior to Russia’s invasion of Ukraine. This accomplishment supports the Department Goal “Drive U.S. Innovation and Global Competitiveness.”

Section 232 Investigations and Product Exclusion Process

As of August 6, 2023, BIS has received approximately 490,000 requests submitted by U.S. parties for exclusion from Section 232 tariffs and quotas on steel and aluminum products. In FY 2023, BIS has processed approximately 63,000 Exclusion Requests. 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 2023, Exclusion Requests with no Objections received a final decision within about forty-seven calendar days on average, while Exclusion Requests with Objections received a final decision within about eighty-six calendar days on average.

The Department continued to work with key international and interagency partners to implement alternative arrangements to Section 232 Steel and Aluminum Tariffs that preserve the national security objectives of Section 232. The Department continues to cooperate with the Office of the U.S. Trade Representative throughout ongoing negotiations with the European Union on a Global Arrangement for Sustainable Steel and Aluminum.

The Department later issued a further one-year extension of this suspension effective June 1, 2023. The Department also acted to raise Section 232 Tariffs on aluminum products from Russia to 200 percent effective on March 10, 2023.

SO 1.4 - Protect national security interests and enforce trade laws. These agreements preserve the national security objectives of Section 232 and open the door to further work on cooperative frameworks with our allies and partners to counteract the mutual challenges posed by global overproduction of steel and aluminum. This accomplishment supports the Department Goal “Drive U.S. Innovation and Global Competitiveness.”

Additional Accomplishments – BIS Entity List

FY 2023 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. Thus far in FY 2023, BIS published fourteen rules that added 433 entries to the Entity List for acting contrary to the national security or foreign policy interests of the United States. As of FY 2023, there are a total of over 2,630 active entries on the Entity List in 90 country locations.

SO 1.4 - Protect national security interests and enforce trade laws. BIS’s Entity List is an important policy tool to protect U.S. national security and foreign policy interests. This accomplishment supports the Department Goal “Drive U.S. Innovation and Global Competitiveness.”

Additional Accomplishments – Enforcement Activities

During FY 2023, using the codified authorities under the Export Control Reform Act (ECRA), BIS worked with the Department of Justice to complete 44 investigations resulting in criminal convictions and worked with the Department of Commerce’s Office of Chief Counsel for Industry and Security in issuing orders in six administrative enforcement cases. Additionally, BIS completed four administrative antiboycott compliance cases. In total, BIS has levied \$1,710,019 in criminal fines, \$3,383,410 in forfeitures, 1,779 months in federal imprisonment, \$303,401,583 in administrative penalties (and an additional \$425,500 in antiboycott administrative penalties), and issued 36 Temporary Denial Orders (TDOs) and TDO Renewals (includes one TDO that was modified). BIS has also worked to expand its cooperation with academic institutions, adding an additional nine such entities to its list of outreach partnerships.

SO 1.4 - Protect national security interests and enforce trade laws. BIS’s enforcement activities are critical to protect U.S. national security and foreign policy interests. These accomplishments support the Department Goal “Drive U.S. Innovation and Global Competitiveness.”

Additional Accomplishments – Actions Regarding China

BIS also took significant actions to address China’s military civil fusion strategy and human rights abuses. In October 2022, BIS issued a rule restricting China’s access to certain semiconductors and related items that are necessary for the development of advanced computing, including artificial intelligence (AI). BIS also restricted China’s access to certain tools and technical support necessary for advanced semiconductor production. BIS extended these controls to foreign-produced items not previously subject to BIS controls.

The rule imposes additional controls to limit the China's advancement above certain technology thresholds for semiconductor production. More specifically, the rule adds new controls on specific semiconductor manufacturing equipment and other related items that could advance the China's ability to produce chips at more advanced nodes and imposes additional restrictions on exporting items or providing support to Chinese semiconductor facilities producing at certain logic and memory thresholds. These changes would immediately impact China's leaders in logic and memory production. The rule also restricts the export of certain items for the development or production of Chinese semiconductor manufacturing equipment.

SO 1.4 - Protect national security interests and enforce trade laws. BIS efforts regarding China's military modernization are working to derail Chinese efforts to ramp up its government-directed technology investments and efforts to obfuscate military procurement. BIS and its tools play an important role in protecting U.S. national security and furthering foreign policy goals, including human rights. This accomplishment supports the Department Goal "Drive U.S. Innovation and Global Competitiveness."

Planned Actions through FY 2025

The Administration, alongside allies and partners, continue to support and advance national security by denying to Russia downstream products that are critical to its ambitions to develop high-tech capabilities in aerospace and defense, lasers and sensors, maritime, AI, robotics, quantum, to name a few. BIS will more effectively meet the challenges of increasing global strategic ambition and technological competition. Such work requires a strong depth of understanding of all aspects of U.S. and foreign efforts to use technology for national security advantage. BIS plans to more fully address evolving and increasingly sophisticated tactics employed by U.S. adversaries to deter their ambitions to acquire U.S. technology. BIS will expand its workforce to allow its analysts and special agents to prioritize enforcement actions on the items, end uses, and end users of highest concern to national security. BIS anticipates this effort will allow analysts to provide more and higher-quality leads to BIS's elite cadre of special agents located in 30 cities across the U.S. Special agents, armed with better information, will continue to expand its close collaboration with the interagency to detect and disrupt illicit procurement networks used by adversaries through aggressive use of criminal investigative and administrative enforcement authorities. BIS will continue to review, identify, and analyze, including conduct research on, technologies that are essential for the continued leadership of the United States in the development of leading-edge technologies while ensuring that the export of these technologies is consistent with U.S. national security and foreign policy objectives. Outreach to industry, including educational outreach, is necessary for the success of this plan. BIS's portfolio also includes working with allies to facilitate coordinated licensing policy, collaborative technology development, and a level playing field for U.S. exporters. Greater U.S. interaction with foreign governments increases trust, cooperation, and develops common messaging that leads to coordinated policy and a better environment for U.S. business. These activities support SO 1.4, "Protect national security interests and enforce trade laws."

BIS will also maintain overseas attaché positions and domestic analyst positions to support a surge in end-use checks related to potential diversion of U.S.-origin items subject to export controls to nation-state actors of concern, and maintain domestic special agent, analyst, and engineer positions utilizing the Ukraine Supplemental funding to support investigations and policy work, including international engagement, related to the enhances to Russia and Belarus controls. BIS will implement actions to strengthen administrative enforcement program, including the imposition of significantly higher penalties for serious violations, using non-monetary

resolutions for less serious violations, eliminating “no admit, no deny” settlements, and facilitating efficient processing of voluntary self-disclosures, including focusing on finite resources on the most significant violations. BIS will continue to implement enforcement outcomes that better align with the seriousness of violations and discourage companies from cooperating with any unsanctioned boycott.

BIS will also continue to further develop the BIS Academic Outreach initiative, including strategically prioritizing engagement, providing counseling, leveraging assigned special agents to establish long-term partnerships, conducting background briefings, offering training on export control compliance, and reviewing university export compliance procedures. BIS will also support the Department’s initiative to support underserved communities by focusing on academic institutions serving underserved populations as part of its academic outreach initiative. BIS will continue to implement the Climate Crisis Initiative by providing outreach on compliance with the EAR to companies producing and/or exporting climate-related products.

BIS will aggressively enforce controls on disruptive technologies, such as artificial intelligence and advanced semiconductors, through coordination with the Department of Justice, FBI, HSI, and other law enforcement partners through the Disruptive Technology Strike Force. Additionally, BIS will aggressively enforce controls on Russia and Belarus, including with the Department of Justice under Task Force Kleptocapture. Further, BIS will continue to impose new Entity List designations for parties in Russia, including third parties companies that backfill our controls, China, Iran, and in other jurisdictions where parties are acting contrary to U.S. national security and foreign policy interests. Finally, In FY 2024, BIS plans to sign a new Memorandum of Understanding with HSI to increase enforcement coordination and cooperation, which will improve the overall effectiveness of both agencies.

BIS plans to host an inaugural trilateral meeting on technology protection exchanges with South Korean and Japanese government officials and the DTSF, led by Department of Commerce and Department of Justice. BIS will also continue to prioritize working with industry and government partners in the Global Export Control Coalition to ensure continued alignment of controls, compliance, and enforcement efforts. This includes working with E5 and G7 partners.

Analysis of Performance Indicators

Explanation of Trends

Overall, BIS continues to meet or exceed performance targets for most indicators in FY 2023. FY 2024 and FY 2025 targets are set based on the ability to meet the foreseeable shifts in export administration, such as new opportunities within Export Control Reform Act (ECRA), and new challenges due to changing foreign policy and national security objectives. BIS anticipates incremental increases in most of its targets related to national security activities and funding levels appropriate for success in meeting such increases.

Explanation of Targets for FY 2024 and FY 2025

Export controls are necessary to advance U.S. national security, foreign policy, and economic objectives and to promote U.S. strategic technology leadership. Export controls mitigate the risk that foreign actors will use U.S. products in ways contrary to U.S. interests. Overall, BIS's targets are consistent with the requests for additional funding. Funding levels will impact BIS's ability to continue to improve its ability to meet foreseeable shifts in the implementation of export controls.

The target for end-use checks for FY 2023 was exceeded because activities in regular areas and programs of operation generally resumed normal levels after the COVID-19 pandemic, and because of Ukraine supplemental funding granted by Congress, which enabled the deployment of several short-term temporary duty assignments and travel overseas.

In FY 2023, travel restrictions implemented due to the COVID-19 pandemic in previous years were mostly eliminated, allowing for normal scheduling and completion of end-use checks in regular areas and programs of operation. These export controls are necessary to advance U.S. national security, foreign policy, and economic objectives and to promote U.S. strategic technology leadership. Export controls mitigate the risk that foreign actors will use U.S. products in ways contrary to U.S. interests. Overall, BIS's targets are consistent with the requests for additional funding. Funding levels will impact BIS's ability to continue to improve its ability to meet foreseeable shifts in the implementation of export controls.

Enforcement actions performed by additional staff hired under the Ukraine supplemental and contracted support personnel enabled BIS to exceed its number of actions resulting in a deterrence or prevention of a violation, and cases resulting in a criminal or administrative charge.

Progression of the Performance Indicators

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 applies extra diligence to support year-end congressional reports.

Performance Data Validation and Verification

BIS relies heavily on data to make informed licensing decisions and policy.

- BIS Indicator: Percent of licenses requiring interagency referral referred within nine days
- BIS Indicator: 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
- BIS Indicator: Number of end-use checks (EUC) completed
- BIS Indicator: Percent of licenses requiring Information Triage Unit report completed by Export Enforcement within ten Executive Order days of referral

BIS Performance Indicators

Class	Strategic Objective	Performance Indicator	FY 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2022 Actual	FY 2023 Actual	FY 2023 Target	FY 2023 Status	FY 2024 Target	FY 2025 Target
Current/ Recurring	1.4	Percent of licenses requiring interagency referral referred within nine days	91%	92%	92%	89%	88%	98%	Not Met	98%	98%
Proposed new	1.4	Number of external stakeholders engaged with the aim of increasing diversity among U.S. exporters	—	—	—	—	307	20	N/A	20	20
Current/ Recurring	1.4	Number of export transactions completed under the new authority of Commerce export licenses and license exceptions	157,287	150,083	155,841	140,494	154,582	150,000	Exceeded	150,000	150,000
Current/ Recurring	1.4	Number of industrial base surveys, data, and analysis distributed to federal agencies and critical sector	3	7	6	4	2	3	Not Met	3	3

Current/ Recurring	1.4	Median processing time for new regime regulations (months)	2.00	5.75	4.00	2.00	2.00	2.00	Met	2.00	2.00
Current/ Recurring	1.4	Percent of electronic export information (EEI) transactions reported in the Automated Export System (AES) in compliance with the Export Administration Regulations (EAR)	99%	99%	99%	99%	98%	99%	Met	99%	99%
Current/ Recurring	1.4	Percent of declarations received from U.S. industry in accordance with CWC time lines that are processed in time for the U.S. to meet treaty obligations	100%	95%	100%	100%	100%	100%	Met	100%	100%
Current/ Recurring	1.4	Number of exporters educated and trained through outreach activities	24,000	60,511	64,528	28,270	28,113	25,000	Exceeded	25,000	25,000
Current/ Recurring	1.4	Number of actions resulting in a deterrence or prevention of a violation, and cases resulting in a criminal or administrative charge	1,802	1,667	2,018	1,864	1,846	1,600	Exceeded	1,840	1,840

Current/ Recurring	1.4	Percent of licenses requiring Information Triage Unit (ITU) report completed by Export Enforcement (EE) within ten Executive Order (EO) days of referral	94%	93%	94%	94%	93%	90%	Exceeded	90%	90%
Current/ Recurring	1.4	Number of end-use checks completed	1,171	987	1,030	1,151	1,509	830	Exceeded	1,275	1,275
Current/ Recurring	1.4	Percent of attendees rating seminars highly	91%	92%	92%	89%	95%	93%	Exceeded	93%	93%