

U.S. DEPARTMENT OF COMMERCE

Bureau of Industry and Security

Fiscal Year 2026 President's Budget Request

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Exhibit – 1

Department of Commerce BUREAU OF INDUSTRY AND SECURITY Budget Estimates, Fiscal Year 2026 President's Budget Request Table of Contents

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Department of Commerce Bureau of Industry and Security Budget Estimates, Fiscal Year 2026 Executive Summary

The Trump Administration requests \$303,000,000 for the Bureau of Industry and Security (BIS) in 2026. This request, comprising the largest funding increase in the bureau's history, is an historic and transformative America First investment in safeguarding our Nation's national security from increasingly complex and malign attempts to illegally source American innovation and use it to threaten our very security. We cannot remain passive and aloof in the face of these increasingly existential challenges to our Nation's technological supremacy and global strategic technology leadership. As stated in the President's America First Trade Policy, the Trump Administration will treat trade policy as a critical component to national security, and few bureaus across Government are the nexus of trade and national security as BIS.

With the funding requested for 2026, BIS will finally have the resources necessary to meet the challenges to our national security. BIS will be able to execute its core mission of safeguarding U.S. national security by preventing the unauthorized use of America's most sensitive dual-use technologies for purposes contrary to American interests by ensuring an effective export control system and by promoting continued U.S. strategic technology leadership. This includes prioritizing and strengthening export enforcement to deter malign activities; ensuring compliance with U.S. export control laws; conducting numerous Section 232 investigations—far more than ever in the Department's history; enhancing our Nation's technological edge and identifying and eliminating loopholes in existing export controls; and issuing new rules through the Office of Information and Communications Technology and Services (ICTS) to restrict Chinese access to U.S. cars, telecom networks, drones, and data centers.

America's adversaries hold aspirations for global leadership in key technologies like artificial intelligence (AI), semiconductors, semiconductor manufacturing equipment (SME), quantum, biotechnology, and robotics. In addition, adversaries exploit loopholes in our trade and export control regimes to fund and modernize their technological and military capabilities that directly threaten U.S. national security. Therefore, BIS must continually re-evaluate and adjust its export controls to ensure U.S. technology is not enabling foreign adversaries' advancements that pose a risk to U.S. national security. These threats have significantly increased the scope of BIS's work to include a significant increase in exports under BIS licenses, and export enforcement officers handling on average 26 cases (and another 19 leads) per agent (far above comparable agencies). To sufficiently counter these threats and further support its critical national security mission, BIS requires a significant and sustained increase in resources.

As such, BIS requests an FY 2026 appropriation for discretionary spending of \$303 million and 830 positions to align resources to the BIS of the future, to aggressively investigate and secure criminal penalties on export violators, and to prevent adversaries from exploiting U.S. technologies and industrial capabilities. To support these efforts, BIS requests \$106 million and 226 positions to dramatically increase the number of Export Enforcement Agents domestically and more than double its Export Control Officer (ECO)

Exhibit – 3

presence globally; and \$6 million and 19 positions to add specialized engineers focused on controlling sensitive technologies and supporting strong enforcement.

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

	FY 2024	FY 2026
	Enacted	Estimate
Management and Policy Coordination	\$27.640	\$39.694
Export Administration	\$35.055	\$41.381
Export Enforcement	\$54.708	\$158.108
Total BIS 054 Funding	\$117.403	\$239.183

Existing functional classification(s):

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

BIS 054 Funding Changes between Fiscal Years:

The FY 2026 054 allocation estimate for the Bureau of Industry and Security is \$239.183 million, an increase of \$121.780 million from FY 2024 enacted.

Justification for changes:

BIS supports national security activities that maintain the 054 classification for Defense Related Activities. In FY 2026, BIS will: significantly increase its support for domestic and overseas enforcement activities - in addition to increases in license reviews of sensitive technologies of national security significance, control sensitive technologies, and support strong enforcement, all classified as defense-related activities. A critical element of BIS' efforts involves the conduct of end-use checks 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.

In FY 2026, BIS will maintain funding for the Information and Communications Technology and Services (ICTS) Supply Chain Security program at levels consistent with previous levels. In FY 2026, BIS is requesting additional investments in areas that are in direct support of the national defense programs.

054 Def	ense-related activities		(\$ millions)
1	Overseas Enforcement		\$19.452
2	Export Enforcement		\$138.656
3	National Security and Technology Transfer Control		\$7.635
4	Chemical Weapons Convention		\$3.557
5	Technology Evaluation*		\$59.360
6	Nonproliferation and Treaty Compliance		\$5.489
7	Non-CFIUS portion of Strategic Industries and Economic Security		\$5.034
		BIS 054 total for FY 2026	\$239.183

*The numbers above reflect only the 054 Defense-related activities portion of BIS budget authority, of which \$8.290 million will contribute to mission support activities. The FY 2026 President's Budget requests a total BIS budget authority of \$303.000 million.

Department of Commerce BUREAU OF INDUSTRY AND SECURITY FY 2026 Program Increases / Decreases / Terminations (Dollar amounts in thousands) (By Appropriation, Largest to Smallest) Increases

					Budget
Page No.	Appropriation	Budget Program	Title of Increase	Positions	Authority
19	Operations and Administration	Export Enforcement	Strengthening Export Enforcement	226	\$106,000
14	Operations and Administration	Export Administration	Supporting Enforcement Operations	19	\$6,000
Subtotal, I	ncreases			245	\$112,000
		Dec	creases		
					Budget
Page No.	Appropriation	Budget Program	Title of Decrease	Positions	Authority
		No Progra	am Decreases		
Subtotal, I	Decreases				
-		Term	<u>ninations</u>		
					Budget
Page No.	Appropriation	Budget Program	Title of Termination	Pos.	Authority
		No Program	m 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)

			(Dollar amo	unts in thousa	nds)			
Page							Budget	Direct
No.				_	Positions	FTE	Authority	Obligations
	Appropriation Available 2024				585	556	191,000	200,253
	Less: Estimated Recoveries	•						(892)
	Less: Unobligated balance,							(10,309)
	Plus: Unobligated balance,							1,094
	Plus: Unobligated balance,				045	010	440.000	854
	Plus: 2026 Program change 2026 Estimate	es		_	245 830	212 768	<u>112,000</u> 303,000	112,000
	2026 Estimate			=	830	/08	303,000	303,000
			FY 202	24	FY 202	26	Increase	e/Decrease
	Comparison by:	_	Enacte	ed	Estimat	te		
	activity/subactivity with totals by activity	_	Personnel	Amount	Personnel	Amount	Personnel	Amount
BIS	Management and	Pos./BA	120	30,853	120	30,853	0	0
8	Policy Coordination	FTE/Obl.	100	31,172	120	30,853	20	(319)
BIS	Export	Pos./BA	218	74,161	237	80,161	19	6,000
11	Administration	FTE/Obl.	216	78,217	232	80,161	16	1,944
BIS	Export	Pos./BA	247	85,986	473	191,986	226	106,000
15	Enforcement	FTE/Obl.	240	90,864	416	191,986	176	101,122
	Total	Pos./BA	585	191,000	830	303,000	245	112,000
		FTE/Obl.	556	200,253	768	303,000	212	102,747
	Adjustments for:							
	Recoveries			(892)				
	Unobligated balance, start	of year		(10,309)				
	Unobligated balance transfe			0				
	Unobligated balance, end of year			1,094				
	Unobligated balance expirir	ng		854				
	Financing from transfers:							
	Transfer from other accoun							
	Transfer to other accounts	(+)		101.005				
	Appropriation			191,000		303,000		112,000

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 system, promoting continued U.S. strategic technology leadership, and countering risks from Information and Communications Technology and Services (ICTS) transactions with foreign adversaries.

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 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 that is 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 advances in technologies, products and services.
- Conduct full economic and security reviews of the United States' industrial and manufacturing base.
- Enhance our nation's technological edge and identify and eliminate loopholes in existing export controls.
- Protect U.S. citizens and critical infrastructure against foreign adversaries through ICTS investigations and rulemaking.

Explanation and Justification

MPC supports the Secretary of Commerce by serving as the BIS management body responsible for representing 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). As part of this broader mission, MPC leads key initiatives to secure the ICTS ecosystem – most notably through its oversight of the BIS ICTS program.

The ICTS program, housed within MPC, is tasked with evaluating and addressing national security risks posed by ICTS transactions. It enforces mitigation and 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 synthesizes complex technical analyses and analyzes all-source intelligence and other information, including cybersecurity threat concerns. Priority focus is given to risks originating from adversary countries and emerging technologies related to ICTS that may be exploited to compromise national security. The program executes the operational responsibilities necessary to implement the rules and procedures to identify, assess, and address ICTS transactions that pose undue or unacceptable risks as detailed above. The ICTS program directly supports the America First Trade Policy (Section 4(d)) by protecting U.S. digital infrastructure from foreign adversaries and ensuring that ICTS supply chains remain secure and resilient. It supports the implementation of 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 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 prioritizing technologies of national security interest and assessing foreign adversary involvement and influence in U.S. supply chains. The program compiles information and intelligence from all sources, generates leads, conducts investigations, analyzes hardware and software, prioritizes and actions referrals from Federal agencies and the public, and assesses risk, ultimately recommending mitigation measures and prohibitions to the Secretary of Commerce. The program consults with nine U.S. Government agencies to assess undue or unacceptable ICTS risks and acts to deter malicious activity, protecting national security, critical infrastructure, the digital economy, and sensitive U.S. persons data.

Significant Accomplishments Year to Date

- In January 2025, pursuant to the authority in E.O. 13873, the office published an Advance Notice of Proposed Rulemaking (ANPRM) seeking public comment on issues and questions related to Unmanned Aircraft Systems (UAS), UAS components, and the potential threats posed by UAS and their components that are designed, developed, manufactured, or supplied by persons owned by, controlled by, or subject to the jurisdiction or direction of a foreign adversary.
- Also in January 2025, the office published a final rule that prohibits import of vehicle connectivity systems (VCS) hardware and the import or sale of software supporting VCS and automated driving systems (ADS) that have a sufficient nexus to China or Russia. The office determined these systems present undue and unacceptable risks to U.S. national security. The rule also prohibits the sale of completed connected vehicles by entities with a sufficient nexus to China or Russia. The rule went into effect in March 2025.
- In March 2025, the office created the Compliance Application and Reporting System (CARS) Portal, accessible to industry, enabling the submission of declarations of conformity and requests for specific authorizations and advisory opinions.

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, re-export, 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 strength and vitality of the U.S. defense industrial base, including through Section 232 investigations and tariffs.

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. Applications to export, re-export 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.

EA assesses a wide range of emerging technologies to identify and implement export controls. EA uses data and research to study trends and inform export policy decisions; gauge the impact of export controls to ensure they restrict adversary access while fostering continued U.S. technological innovation; supports compliance efforts by identifying potential violations of the EAR; provides statistical reports to the federal government and external stakeholders to support industry and government relations; and analyzes foreign availability of critical products and technologies.

In addition to implementing export controls, EA monitors the health of the U.S. defense industrial base and ensures U.S. compliance with various reporting and inspection requirements of international nonproliferation treaties. As part of its defense industrial base responsibilities, EA conducts investigations into the national security impact of certain imports pursuant to Section 232 of the Trade Expansion Act of 1962, administers the Defense Priorities and Allocations System, and issues surveys to specific defense industry sectors.

Statement of Operating Objectives:

- Establish controls and policy governing the export, re-export, export from abroad, and in-country transfer of dual-use and less sensitive military items to protect national security and advance foreign policy objectives.
- Control technologies of national security significance, particularly those destined for China and Chinese companies.
- Conduct investigations pursuant to Section 232 of the Trade Expansion Act of 1962 to complete the highest quality evaluations of the effect of imports on U.S. national security and tariffs.
- Develop new controls and regulations to eliminate loopholes in existing export controls exploited by foreign adversaries.
- Identify technologies as outlined in Section 1758 of ECRA that are emerging and foundational technologies essential to national security and develop policies to limit transfer when contrary to U.S. interests.
- Launch new inclusions process for Section 232 steel and aluminum tariffs, to cover additional derivative articles within the scope of the ad valorem duties.
- 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 and issue surveys under the Defense Production Act to monitor the health of the defense industrial base.
- 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.
- 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.
- 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.
- Implement an outbound investment program that will require notifications to the U.S. Government for certain investments into China and other countries of concern. Analyze information submitted under this new program to help Commerce and other agencies involved in the program ensure its effectiveness.

Explanation and Justification

In FY 2026, EA will continue 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, Section 232 investigations, CFIUS reviews, requests for DPAS actions, 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.

Consistent with Section 4(c) of the America First Trade Policy, EA and its interagency partners have conducted a review of the U.S. export control system and will focus efforts going forward on countering the risks posed by China by strengthening restrictions on the export of sensitive technologies and identifying and eliminating loopholes in existing export controls – especially those that enable the transfer of strategic goods, software, services, and technology to countries to strategic rivals and their proxies.

Section 232 national security import investigations represent another major program area for EA. 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 U.S. of imports of any article. In FY 2025, in support of various executive orders, EA is conducting Section 232 investigations on various imports, to include:

- automobiles and their derivative parts
- copper
- critical minerals
- heavy trucks and their derivative parts
- timber and lumber
- pharmaceuticals and their derivatives
- semiconductors and semiconductor manufacturing equipment
- commercial aircraft and their components.

EA will continue to advance these investigative efforts to strengthen trade enforcement, safeguard public health, and protect critical technology sectors, which likely will either continue into or result in BIS follow-up actions as determined by the President in FY 2026. Additional Section 232 investigations are anticipated in FY 2026. EA will continue to administer tariffs on steel and aluminum and implement a product inclusion process as mandated by the President, which will lead to stronger economic resilience and more agile response to evolving threats and market conditions.

In FY 2026, BIS plans to create a leaner organization within EA focused on controlling technologies of national security significance, particularly those destined for adversary countries that could support its weapons of mass destruction and military modernization

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activities, or human rights abuses, as well as, enhancing and expanding Section 232 investigations. It will also seek efficiencies by reducing unnecessary export license requirements and refocusing personnel on reviewing the highest-risk transactions.

Department of Commerce BUREAU OF INDUSTRY AND SECURITY Salaries and Expenses Program Changes for 2026, Supporting Enforcement Operations (Dollar amounts in thousands)

		FY 2024 Enacted		FY 2026 Estimate		Increase/Decrease	
		Personnel	Amount	Personnel	Amount	Personnel	Amount
Export Administration	Pos/BA FTE/Obl.	218 216	74,161 78,217	237 232	80,161 80,161	19 16	6,000 1,944

Supporting Enforcement Operations (+\$6,000, 16 FTE/19 Positions) - This funding increase will allow Export Administration (EA) to add specialized engineers focused on controlling sensitive technologies of national security significance, particularly those destined for adversary countries, and supporting strong enforcement. Engineers help enforcement understand and articulate the national security threat posed by specific technologies. These contextual insights allow enforcement to prioritize investigative resources and are also used to obtain warrants, file charges, and ultimately prosecute export control violations.

BIS will also seek efficiencies by streamlining export license requirements and focusing personnel on the core mission. Currently, EA has 33 technical staff processing license determinations for commodities, software, and technology to support criminal and administrative enforcement actions by approximately 150 Export Enforcement criminal investigators -- a 1:5 ratio. To support a significantly increased number of enforcement actions by the substantial growth in criminal investigators requested for Export Enforcement in FY 2026, EA requires a minimum of 19 technical staff (engineers, chemists, biologists) to maintain a similar personnel ratio to provide license determinations and serve as technical witnesses in criminal enforcement matters. This request directly supports the President's America First Trade Policy Section 4(c) report priority to enhance enforcement and increase effectiveness of export controls.

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 adversary countries and to unauthorized end users, and 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. This 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. Export Enforcement exercises its unique authorities to conduct complex investigations that prioritize malign activities of nation-state actors, as well as end uses and end users that pose national security concerns. A significant percentage of Export Enforcement actions involve controlled items destined for unauthorized military modernization programs, weapons of mass destruction programs, human rights abusers, sanctioned actors, and terrorists.

Statement of Operating Objectives

Each year, the volume of EAR transactions requiring compliance assessments grows as BIS expands its export control jurisdiction and as international trade becomes more interconnected and complex. This growth is driven in large part by efforts to prevent adversary countries from illegally obtaining advanced American technologies, including advanced-node semiconductors diverted to the People's Liberation Army or used to leapfrog American companies in artificial intelligence and/or other emerging technological fields. These threats highlight the urgency of BIS's work to prevent adversaries from exploiting U.S. cutting-edge technologies to advance destabilizing military modernization activities.

These challenges require EE to scrutinize miniscule details of direct exports from the United States, in-country transfers abroad, reexports 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, re-exported, 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.

Explanation and Justification

In FY 2026, EE, in alignment with the America First Trade Policy, will significantly expand its enforcement and investigative capabilities to confront growing global threats and to safeguard U.S. national security by preventing nation-state adversaries from acquiring sensitive American technology. The Office of Export Enforcement (OEE), Office of Enforcement Analysis (OEA), and Office of Antiboycott Compliance (OAC) play a vital role in advancing the America First Trade Policy by prioritizing the enforcement of U.S. national security, economic sovereignty, and foreign policy interests.

EE will strengthen its presence across the United States and the world, ensuring a strong enforcement posture against illegal exports, technology theft, and cyber threats. Special Agents will remain embedded in key domestic law enforcement offices to detect, disrupt, and dismantle illicit trade networks through criminal and administrative enforcement actions, conduct thorough end-use checks in areas of the world not currently covered by Export Control Officers, and educate U.S. businesses on best practices for securing critical technologies.

OEA will reinforce trade enforcement intelligence capabilities by identifying and blacklisting foreign entities engaged in suspicious activities. By enhancing coordination with global trade control partners, OEA will prevent the diversion of dual-use technologies that could threaten U.S. security and economic dominance. Additionally, the ECO Program will continue to monitor high-risk international regions and will expand to additional regions for illicit transshipments, ensuring that America's technological and manufacturing base remains protected from adversarial exploitation.

Additionally, OAC will uphold U.S. antiboycott laws to prevent American companies from participating in anti-Israel boycotts. This effort aligns with the Administration's commitment to eliminating unfair foreign trade practices that undermine American businesses. In short, Export Enforcement will serve as a sentinel of America's economic prosperity—defending critical industries, protecting American innovation, and ensuring the long-term security of U.S. technological leadership.

In FY 2026, OEE will grow the number of special agents strategically positioned across the United States, including its headquarters in Washington, DC, and nine field offices by 193 agents. Agents currently work from field offices in the metropolitan areas of Boston, Chicago, Dallas, Los Angeles, Miami, New York, Phoenix, San Jose, and Washington, and from resident offices in Atlanta, Houston, and Portland. In addition, OEE Special Agents are deployed to FBI field offices in Charlotte, Cincinnati, Las Vegas, Memphis, Minneapolis, New Haven, Pittsburgh, Sacramento, Salt Lake City, San Diego, Savannah, Seattle, St. Louis, and Tampa, to the Defense Criminal Investigative Service (DCIS) offices in Denver, San Antonio, and with Homeland Security Investigations (HSI) in Baltimore and Detroit, to provide enhanced coverage for investigating export violations. OEE will sustain its cooperation with the Department of Justice and the Department of Homeland Security to impose aggressive criminal sanctions for violations, including incarceration and severe fines, and with the Office of Chief Counsel for Industry and Security to impose civil fines and denials of export privileges. With additional funding, BIS would be positioned to expand its domestic footprint to strategically better address gaps in geographic coverage.

EE Significant Accomplishments

- Since 2012, the average penalties generated by each EE special agent were over \$3.3 million per year.
- BIS imposed in criminal and administrative penalties against ZTE of \$1.19 billion in March 2018, and administrative penalties against Seagate of \$300 million in April 2023. In the last fiscal year, EE imposed over \$6.5 million in civil penalties and nearly \$5 million in criminal fines.
- Similarly, in the last fiscal year, BIS brought nearly 70 administrative enforcement actions, including 42 Denial Orders against parties convicted under certain federal statutes. EE also obtained nearly \$3 million in forfeitures and over \$15 million in restitution, and completed over 700 detentions, valued at over \$313 million, as well as completed over 2,600 seizures.

- BIS has built international partnerships with the European Commission and European Anti-Fraud Office (OLAF), Export Enforcement Five (Australia, Canada, New Zealand, United Kingdom, and the U.S.), G7, Disruptive Technology Protection Network (Japan, South Korea, and the U.S.), and like-minded countries, as well as transshipment hubs, such as Finland, Malaysia, Singapore, and the United Arab Emirates (UAE). Through both its ECO program and HQ-based diplomatic efforts, EE enhances these partnerships to prevent the diversion of EAR items.
- In the last fiscal year, EE completed over 1,440 end-use checks in 60 countries and conducted more than 3,000 outreach, liaison, and direct-action activities that prevented the diversion of critical technology and countless commodities that are essential to the national security of the United States.

Department of Commerce BUREAU OF INDUSTRY AND SECURITY Salaries and Expenses Program Changes for 2026, Strengthening Export Enforcement (Dollar amounts in thousands)

		FY 2024 Enacted				Increase/Decrease	
		Personnel	Amount	Personnel	Amount	Personnel	Amount
Export Enforcement	Pos/BA FTE/Obl.	247 240	85,986 90,864	473 416	191,986 191,986	226 176	106,000 101,122

Strengthening Export Enforcement (+\$106,000, 176 FTE/226 Positions) - This funding increase will enable an historic and transformative increase in export enforcement in advancement of the President's America First Trade Policy. EE field agents currently handle an average workload of 23 cases per person. By comparison, special agents at the FBI and HSI who work export-related counterproliferation matters typically handle 6 to 10 cases per agent. The much higher workload of EE field agents currently prevents them from addressing many potential violations and reduces the total amount of penalties imposed and fines collected. The requested increase of 193 special agents would reduce the average number of cases per field agent to approximately 6 to 10, allowing for faster detection and disruption of illicit schemes that compromise national security.

BIS has most recently imposed unprecedented penalties in the hundreds of millions of dollars. With a massive increase in the number of EE agents, large penalties will become more frequent. The increased funding would also enable BIS to scale up its overseas network of Export Control Officers (ECO). At present, BIS only has 12 officers overseas (in Beijing, Hong Kong, New Delhi, Singapore, Frankfurt, Istanbul, Dubai, Ottawa, Helsinki, and Taipei). This is far too few to enforce export controls worldwide – a growing concern, given the increasing international proliferation of sensitive and valuable U.S. technology. With the requested budget increase, BIS would add 18 officers overseas to monitor compliance with export controls outside the United States, more than doubling the current ECO program.

Department of Commerce BUREAU OF INDUSTRY AND SECURITY Salaries and Expenses Justification of Proposed Language Changes

FY2026 OPERATIONS AND ADMINISTRATION

For necessary expenses for export administration and national security activities of the Department of Commerce, including costs associated with the performance of export administration field activities both domestically and abroad; full medical coverage for dependent members of immediate families of employees stationed overseas; employment of citizens of the United States and aliens by contract for services abroad: payment of tort claims, in the manner authorized in the first paragraph of section 2672 of title 28. United States Code, when such claims arise in foreign countries; not to exceed \$13,500 for official representation expenses abroad; awards of compensation to informers under the Export Control Reform Act of 2018 (subtitle B of title XVII of the John S. McCain National Defense Authorization Act for Fiscal Year 2019; Public Law 115-232; 132 Stat. 2208; 50 U.S.C. 4801 et seg.), and as authorized by section 1(b) of the Act of June 15, 1917 (40 Stat. 223; 22 U.S.C. 401(b)); and 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, [\$191,000,000] \$303,000,000, of which [\$76,000,000] \$122,000,000 shall remain available until expended: Provided, [That of the amounts made available under this heading for activities under the "revised nonsecurity category", as defined in section 250(c)(4)(E) of the Balanced Budget an Emergency Deficit Control Act of 1985 (Public Law 99-177), as amended, \$20,000,000 is designated by the Congress as being for a emergency requirement pursuant to section 251 (b)(2)(A)(i) of the Balanced Budget and Emergency Deficit Control Act of 1985: Provided further]¹, 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: Provided further, 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. Note.--This account is operating under the Full-Year Continuing Appropriations and Extensions Act, 2025 (Division A of Public Law 119-4).

¹BIS appropriation language change request removes emergency classification provision.

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 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

- <u>See</u>, 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. 482022 U.S.C. 401(b)

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

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

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

No Specific Authority

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

9. ... To remain available until expended,

No Specific Authority

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

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

22 U.S.C. 2455(f) 22 U.S.C. 2458(c)

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

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

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

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

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

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.

Exhibit – 41

Reason for the Decision	The February 10, 2025, Presidential Proclamations 10895 and 10896 revoke/eliminate the Section
not to Implement	232 exclusion request process. Thus, the recommendation is no longer applicable.

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.
Reason for the Decision not to Implement	The February 10, 2025, Presidential Proclamations 10895 and 10896 revoke/eliminate the Section 232 exclusion request process. Thus, the recommendation is no longer applicable.

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.
Reason for the Decision not to Implement	The February 10, 2025, Presidential Proclamations 10895 and 10896 revoke/eliminate the Section 232 exclusion request process. Thus, the recommendation is no longer applicable.
	232 exclusion request process. Thus, the recommendation is no longer applicable.

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.
Reason for the Decision not to Implement	The February 10, 2025, Presidential Proclamations 10895 and 10896 revoke/eliminate the Section 232 exclusion request process. Thus, the recommendation is no longer applicable.

Report Number	GAO-23-105148
Report Title	Steel and Aluminum Tariffs: Agencies Should Ensure Section 232 Exclusion Requests Are Needed and Duties Are Paid
Issue Date	July 2023
Recommendation Number	1
Recommendation	The Secretary of Commerce should ensure that the Under Secretary of Commerce for Industry and Security fully assesses the effectiveness of the quantity certification requirement BIS put in place and takes further actions, as needed, to improve the Section 232 exclusion request process.
Reason for the Decision not to Implement	The February 10, 2025, Presidential Proclamations 10895 and 10896 revoke/eliminate the Section 232 exclusion request process. Thus, the recommendation is no longer applicable.

Report Number	GAO-23-105148
Report Title	Steel and Aluminum Tariffs: Agencies Should Ensure Section 232 Exclusion Requests Are Needed and Duties Are Paid
Issue Date	July 2023
Recommendation Number	2
Recommendation	The Secretary of Commerce should ensure that the Under Secretary of Commerce for Industry and Security, in consultation with CBP, explores the development of a data transfer process that reduces the potential for inconsistencies between the two respective agency systems.
Reason for the Decision	The February 10, 2025, Presidential Proclamations 10895 and 10896 revoke/eliminate the Section
not to Implement	232 exclusion request process. Thus, the recommendation is no longer applicable.

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

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

(c) <u>Recommendations designated by GAO as "Closed-Unimplemented" for the past 5 years (2015-2019)</u>. Future reports will cover <u>a one-year period</u>.

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-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	December 31, 2025
Reason No Final Action Taken or Action Not Recommended Taken	Implementation of the Acadis program and its integration into the SAM is still in progress due to circumstances beyond OEE's control. The Office of Export Enforcement (OEE) anticipates having the Acadis program integrated by December 31, 2025, but will assess if the program meets the requirements of the contract at a later date.
Closure Request Pending (Yes/No)	No

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

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

Department of Commerce BUREAU OF INDUSTRY AND SECURITY Operations and Administration Description of Tribal Consultations

BIS does not have any tribal consultations to report.