

# Fiscal Year (FY) 2004/FY 2005 Biennial Budget Estimates

Defense Technology Security Administration (DTSA)



February 2003

**DEFENSE TECHNOLOGY SECURITY ADMINISTRATION**  
**Operations and Maintenance, Defense-Wide**  
**Fiscal Year (FY) 2004/FY 2005 Biennial Budget Estimates**

**Appropriation Highlights**  
**(Dollars in Millions)**

<b>FY 2002</b>	<b>Price</b>	<b>Program</b>	<b>FY 2003</b>	<b>Price</b>	<b>Program</b>	<b>FY 2004</b>	<b>Price</b>	<b>Program</b>	<b>FY 2005</b>
<b>Actual</b>	<b>Change</b>	<b>Change</b>	<b>Estimate</b>	<b>Change</b>	<b>Change</b>	<b>Estimate</b>	<b>Change</b>	<b>Change</b>	<b>Estimate</b>
0	0	19.886	19.886	.394	.116	20.396	.596	-.527	20.465

**Summary:** The Technology Security program develops and implements DoD technology security policies on international transfers and prepares for the future threat through activities and programs that control, monitor, and prevent the transfer of defense-related goods, services, and technologies that could threaten U.S. national security interests. The Defense Technology Security Administration has five objectives that principally support the USG National Security Strategy of preparing for future threats: (1) retain the U.S. technology edge while narrowing the military capabilities gap with our allies (if possible), (2) increase interoperability with our Allies to improve our combined military effectiveness and increase the pool of countries who can fight with U.S. forces, (3) increase scrutiny of exports that could contribute to terrorism or the production of weapons of mass production, (4) facilitate defense exploitation (use) of commercial technology products, and (5) maintain a healthy defense industrial base.

The Technology Security Program performs functions in support of three basic areas: (1) technology security policy; (2) technology security implementation; and (3) technology security compliance and enforcement. These functions include:

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**(Dollars in Millions)**

**Technology Security Policy:** (1) Determining, coordinating and issuing Department of Defense (DoD) positions on export control regulations, control lists, entity/project/end-user lists, commodity jurisdiction and classification matters; (2) Determining, coordinating, and issuing technology security guidelines and procedures to DoD components and organizations; (3) Providing support to and participating in USG discussions and negotiations with foreign governments and international organizations on export control matters, including the design and implementation of international export control regimes; (4) Representing DoD in interagency processes on technology security policy and implementation matters; and (5) Working with OUSD(AT&L), the Military Services and other OSD entities, to ensure the success of such initiatives like NATO Defense Capabilities Initiative, War of Terrorism and Enduring Freedom.

**Technology Security Implementation:** (1) Determining, coordinating, and issuing DoD positions on export license applications referred to DoD by regulatory agencies; (2) Representing the Under Secretary of Defense for Policy on the National Disclosure Policy Committee dealing with disclosure guidance for classified military information; (3) Determining, coordinating, and issuing DoD positions on reviews of foreign investment in U.S. defense-related companies with the Treasury-chaired Committee on Foreign Investment in the United States; and (4) Administering the responsibilities of the former Armed Services Patent Advisory Board including coordinating DoD's review process for patent secrecy determinations.

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**Appropriation Highlights  
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**Technology Security Compliance and Enforcement:** (1) Coordinating and implementing the Space Launch Safeguards and Monitoring Program; (2) Identifying and applying safeguards on specific transfers of controlled military and dual-use goods and technologies to mitigate security risks associated with diversion or misuse; (3) Determining, coordinating, and issuing DoD positions on compliance and enforcement related matters referred to DoD by export control regulatory agencies, including review and advice on voluntary disclosures under the International Traffic in Arms Regulations; and (4) Providing technical support to technology security intelligence, enforcement, and diplomatic organizations and activities of the U.S. Government.

**Budget Activity 4: Administration and Service-wide Activities**

<b>FY 2002</b>	<b>Price</b>	<b>Program</b>	<b>FY 2003</b>	<b>Price</b>	<b>Program</b>	<b>FY 2004</b>	<b>Price</b>	<b>Program</b>	<b>FY 2005</b>
<b>Actual</b>	<b>Change</b>	<b>Change</b>	<b>Estimate</b>	<b>Change</b>	<b>Change</b>	<b>Estimate</b>	<b>Change</b>	<b>Change</b>	<b>Estimate</b>
0	0	19.886	19.886	0.394	0.116	20.396	0.596	-0.527	20.465

**Narrative Explanation of Changes:**

FY 2003 President's Budget to FY 2003 Current Estimate

On August 31, 2001, the Deputy Secretary of Defense re-established the DTSA as a separate agency vice being part of the Defense Threat Reduction Agency (DTRA). As of FY 2003 DTSA mission and some general overhead operations were transferred from the DTRA to the DTSA.

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**(Dollars in Millions)**

**Narrative Explanation of Changes (Cont'd):**

FY 2003 Current Estimate to FY 2004 Budget Request

The FY 2004 budget request reflects an overall increase of \$0.510 million when compared to the FY 2003 current estimate, which includes a price adjustment of \$0.394 million and program increase of \$0.116 million. Programmatic adjustments are increase offsets for FY 2003 cost associated with the Technology Security Process Improvement Plan (\$0.116 million).

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**Budget Activity 4: Administration and Service-wide Activities**  
**Summary of Increases and Decreases**  
**(Dollars in Thousands)**

1. FY 2003 President's Budget	0
2. Congressional Adjustment (Distributed)	0
3. Congressional Adjustment (Undistributed)	0
4. Congressional Earmarks	0
5. FY 2003 Appropriated Amount	0
6. FY 2003 Rescission	0
7. Function Transfer - In	20,358
8. Congressional Adjustments	-424
9. Other Transfers - In	0
10. Functional Transfers - Out	0
11. Other Transfers - Out	0
12. Price Changes	-26
13. Program Increases	26
14. Program Decreases	-48
15. Revised FY 2003 Current Estimate	19,886
16. Price Changes	394
17. Transfers - In	0
18. Transfers - Out	0
19. Program Increases	846
20. Program Decreases	-730
21. FY 2004 Budget Request	20,396
22. Price Growth	596
23. Program Increases	0
24. Program Decreases	-527
25. FY 2005 Budget Request	20,465

**DEFENSE TECHNOLOGY SECURITY ADMINISTRATION**  
**Operations and Maintenance, Defense-Wide**  
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**Personnel Summary**

	<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2004</u>	<u>Change</u> <u>FY 2003/2004</u>	<u>FY 2005</u>	<u>Change</u> <u>FY 2004/2005</u>
<u>Active Military End Strength (E/S) (Total)</u>						
Officer	0	21	16	-5	16	0
Enlisted	0	19	16	-3	16	0
<u>Reserve Drill Strength E/S (Total)</u>						
Officer						
Enlisted						
<u>Reservists on Full Time Active Duty E/S (Total)</u>						
Officer						
Enlisted						
<u>Civilian E/S (Total)</u>						
U.S. Direct Hire	0	142	149	7	149	0
Foreign National Direct Hire						
Total Direct Hire	0	142	149	7	149	0
Foreign National Indirect Hire (Reimbursable Civilians Included Above (Memo))	0	(38)	(38)	0	(38)	0
<u>Active Military Average Strength (A/S) (Total)</u>	0	40	32	-8	32	0
Officer	0	21	16	-5	16	0
Enlisted	0	19	16	-3	16	0
<u>Reserve Drill Strength A/S (Total)</u>						
Officer						
Enlisted						
<u>Reservists on Full Time Active Duty A/S (Total)</u>						
Officer						
Enlisted						
<u>Civilian FTEs (Total)</u>						
U.S. Direct Hire	0	142	149	7	149	0
Foreign National Direct Hire						
Total Direct Hire	0	142	149	7	149	0
Foreign National Indirect Hire (Reimbursable Civilians Included Above (Memo))	0	(38)	(38)	0	(38)	0

**DEFENSE TECHNOLOGY SECURITY ADMINISTRATION**  
**Operations and Maintenance, Defense-Wide**  
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**Budget Activity 4: Administration and Service-wide Activities**

**I. Description of Operations Financed:** The Technology Security program develops and implements DoD technology security policies on international transfers and prepares for the future threat through activities and programs that control, monitor, and prevent the transfer of defense-related goods, services, and technologies that could threaten U.S. national security interests. The Defense Technology Security Administration has five objectives that principally support the USG National Security Strategy of preparing for future threats: (1) retain the U.S. technology edge while narrowing the military capabilities gap with our allies (if possible), (2) increase interoperability with our Allies to improve our combined military effectiveness and increase the pool of countries who can fight with U.S. forces, (3) increase scrutiny of exports that could contribute to terrorism or the production of weapons of mass destruction, (4) facilitate defense exploitation (use) of commercial technology products, and (5) maintain a healthy defense industrial base.

The FY 2003 current estimate is \$19.9 million; the FY 2004 budget request is \$20.4 million.

**II. Force Structure Summary:**

The Technology Security Program performs functions in support of three basic areas: (1) technology security policy; (2) technology security implementation; and (3) technology security compliance and enforcement. These functions include:

**DEFENSE TECHNOLOGY SECURITY ADMINISTRATION**  
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**Budget Activity 4: Administration and Service-wide Activities**

**A. Technology Security Policy:**

- Determining, coordinating and issuing Department of Defense (DoD) positions on export control regulations, control lists, entity/project/end-user lists, commodity jurisdiction and classification matters.
- Determining, coordinating, and issuing technology security guidelines and procedures to DoD components and organizations.
- Providing support to and participating in USG discussions and negotiations with foreign governments and international organizations on export control matters, including the design and implementation of international export control regimes.
- Representing DoD in interagency processes on technology security policy and implementation matters.
- Working with OUSD(AT&L), the Military Services and other OSD entities, to ensure the success of such initiatives like NATO Defense Capabilities Initiative, War on Terrorism and Enduring Freedom.

**B. Technology Security Implementation:**

- Determining, coordinating, and issuing DoD positions on export license applications referred to DoD by regulatory agencies.
- Representing the Under Secretary of Defense for Policy on the National Disclosure Policy Committee dealing with disclosure guidance for classified military information.

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**B. Technology Security Implementation (Cont'd):**

- Determining, coordinating, and issuing DoD positions on reviews of foreign investment in U.S. defense-related companies with the Treasury-chaired Committee on Foreign Investment in the United States.
- Administering the responsibilities of the former Armed Services Patent Advisory Board including coordinating DoD's review process for patent secrecy determinations.

**C. Technology Security Compliance and Enforcement:**

- Coordinating and implementing the Space Launch Safeguards and Monitoring Program.
- Identifying and applying safeguards on specific transfers of controlled military and dual-use goods and technologies to mitigate security risks associated with diversion or misuse.
- Determining, coordinating, and issuing DoD positions on compliance and enforcement related matters referred to DoD by export control regulatory agencies, including review and advice on voluntary disclosures under the International Traffic in Arms Regulations.
- Providing technical support to technology security intelligence, enforcement, and diplomatic organizations and activities of the U.S. Government.

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 Budget Activity 4: Administration and Service-wide Activities

III. Financial Summary (O&M in Thousands):

A. Subactivity Group:

	FY 2003				
	FY 2002 Actuals	Budget Request	Appropriation	Current Estimate	FY 2004 Estimate
1. Technology Security Activities	0	0	0	19,886	20,396

B. Reconciliation Summary:

	Change FY 2003/2003	Change FY 2003/2004
<b>1. Baseline Funding</b>	<b>0</b>	<b>19,886</b>
Congressional Adjustments	0	0
2. Appropriated Amount	0	0
3. Functional Transfers - In	20,358	0
4. Congressional Adjustments	-424	0
5. Price Change	-26	394
6. Program Changes	-22	116
<b>7. Current Estimate</b>	<b>19,886</b>	<b>20,396</b>

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**C. Reconciliation of Increases and Decreases:**

<b>1. FY 2003 President's Budget</b>		<b>0</b>
2. Congressional Adjustment (Distributed)		0
3. Congressional Adjustment (Undistributed)		0
4. Congressional Earmarks		0
<b>5. FY 2003 Appropriated Amount</b>		<b>0</b>
6. Function Transfer - In		
Creation of Defense Technology Security Administration		20,358
Transferred from Defense Threat Reduction Agency (DTRA)	19,958	
Increased funds provided by OSD for based on OUSD(P)	400	
Decision to provide performance training to engineers		
7. Congressional Adjustments		-424
8. Price Changes		-26
FY03 Inflation Savings		
9. Program Increases		26
Reapplication of FY03 Inflation Savings to support operational	26	
Requirements, such as training, travel and supplies		

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**C. Reconciliation of Increases and Decreases cont'd):**

10. Program Decreases	-48
<p>This program decrease funds a portion of emergent fact-of-life requirements for: Government-wide E-Gov initiatives, adaptive planning models to reduce planning timelines, establishment of a Defense Continuity Program Office, increased rent payments, additional general security clearance adjudication and other emergent requirements.</p>	
<b>11. Revised FY 2003 Current Estimate</b>	<b>19,886</b>
12. Price Growth	394
13. Program Increases	846
<p>This increase supports the resources for increased FTEs to accomplish DTSA mission to review export license applications.</p>	
14. Program Decreases	-730
<p>This decrease supports the down phasing of contractual requirements for the Process Improvement Plan in FY 2004 for the review of export license applications referred to by the Department of State and the Department of Commerce.</p>	
<b>15. FY 2004 Budget Request</b>	<b>20,396</b>
16. Price Growth	596

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**C. Reconciliation of Increases and Decreases cont'd):**

17. Program Decreases

**-527**

This decrease supports the down phasing of contractual requirements for the Process Improvement Plan in FY 2004 for the review of export license applications referred to by the Department of State and the Department of Commerce.

**18. FY 2005 Budget Request**

**20,465**

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**IV. Performance Criteria and Evaluation Summary:**

These workload performance indicators, or Technology Security Actions (TSAs), represent a wide range of work accomplished by the Technology Security program: Policy, License, and Technology. The TSAs represent a generic weighted unit of measure, which allows for the tracking and analysis of our business activity. The composite number of such actions actually counted, e.g., review and analysis of munitions and dual-use export applications, preparation of policy documents, and technical support to interagency/international negotiations represent a major application of resources to achieve all mission, regulatory and statutory objectives. Many TSAs are devoid of precise performance measurement criteria, e.g., one particular policy development/implementation may take a portion of three professionals a total of one staff week, whereas another may take several staff-months.

	<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2004</u>
	No. of TSA	No. of TSA	No. of TSA
Technology Security Actions (TSAs)	92,400	96,700	98,634

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**V. Personnel Summary:**

	<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2004</u>	<u>Change FY 2003/2004</u>	<u>FY 2005</u>	<u>Change FY 2004/2005</u>
<u>Active Military End Strength (E/S) (Total)</u>	0	40	32	-8	32	0
Officer	0	21	16	-5	16	0
Enlisted	0	19	16	-3	16	0
<u>Reserve Drill Strength E/S (Total)</u>						
Officer						
Enlisted						
<u>Reservists on Full Time Active Duty E/S (Total)</u>						
Officer						
Enlisted						
<u>Civilian E/S (Total)</u>	0	142	149	7	149	0
U.S. Direct Hire	0	142	149	7	149	0
Foreign National Direct Hire						
Total Direct Hire	0	142	149	7	149	0
Foreign National Indirect Hire (Reimbursable Civilians Included Above (Memo))	0	(38)	(38)	0	(38)	0
<u>Active Military Average Strength (A/S) (Total)</u>	0	40	32	-8	32	0
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Enlisted	0	19	16	-3	16	0
<u>Reserve Drill Strength A/S (Total)</u>						
Officer						
Enlisted						
<u>Reservists on Full Time Active Duty A/S (Total)</u>						
Officer						
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<u>Civilian FTEs (Total)</u>	0	142	149	7	149	0
U.S. Direct Hire	0	142	149	7	149	0
Foreign National Direct Hire						
Total Direct Hire	0	142	149	7	149	0
Foreign National Indirect Hire (Reimbursable Civilians Included Above (Memo))	0	(38)	(38)	0	(38)	0

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**VI. Outyear Impact Summary:**

	<u>FY 2006</u>	<u>FY 2007</u>	<u>FY 2008</u>	<u>FY 2009</u>
O&M (\$ in Thousands)	20,893	21,418	22,050	22,362
Military End Strength	31	31	31	31
Civilian End Strength	150	150	150	150

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**VII. OP32 Line Items as Applicable (Dollars in Thousands):**

<u>Line Item</u>	<u>Description</u>	<u>Changes from FY 2002 to FY 2003</u>			<u>Changes from FY 2003 to FY 2004</u>			<u>FY 2004 Estimate</u>
		<u>FY 2002 Actuals</u>	<u>Price Growth</u>	<u>Program Growth</u>	<u>FY 2003 Estimate</u>	<u>Price Growth</u>	<u>Program Growth</u>	
0101	Executive, General and Special Schedules	0	0	12,340	12,340	247	846	13,433
<b>0199</b>	<b>Total Civilian Personnel Compensation</b>	<b>0</b>	<b>0</b>	<b>12,340</b>	<b>12,340</b>	<b>247</b>	<b>846</b>	<b>13,433</b>
0308	Travel of Persons	0	0	320	320	5	0	325
<b>0399</b>	<b>Total Travel</b>	<b>0</b>	<b>0</b>	<b>320</b>	<b>320</b>	<b>5</b>	<b>0</b>	<b>325</b>
0673	Payments to DFAS	0	0	231	231	33	-30	234
<b>0699</b>	<b>Total Purchases</b>	<b>0</b>	<b>0</b>	<b>231</b>	<b>231</b>	<b>33</b>	<b>-30</b>	<b>234</b>
0912	Rental Payments to GSA Leases	0	0	956	956	19	-5	970
0914	Purchased Communications	0	0	209	209	3	1	213
0917	Postage (U.S.P.S.)	0	0	5	5	0	0	5
0920	Supplies & Materials (Non-Fund)	0	0	126	126	2	0	128
0921	Printing and Reproduction	0	0	2	2	0	0	2
0922	Equipment Maintenance by Contract	0	0	26	26	0	0	26
0925	Equipment Purchases (Non-Fund)	0	0	79	79	1	0	80
0987	Other Intra-government Purchases	0	0	1,634	1,634	25	0	1,659
0989	Other Contracts	0	0	3,395	3,395	51	-696	2,750
0998	Other Costs	0	0	563	563	8	0	571
<b>0999</b>	<b>Total Other Purchases</b>	<b>0</b>	<b>0</b>	<b>6,995</b>	<b>6,995</b>	<b>109</b>	<b>-700</b>	<b>6,404</b>
<b>9999</b>	<b>GRAND TOTAL</b>	<b>0</b>	<b>0</b>	<b>19,886</b>	<b>19,886</b>	<b>394</b>	<b>116</b>	<b>20,396</b>

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**VII. OP32 Line Items as Applicable (Dollars in Thousands) (Cont'd):**

<u>Line</u> <u>Item</u>	<u>Description</u>	<u>Changes from FY 2004 to FY 2005</u>			<u>FY 2005</u> <u>Estimate</u>
		<u>FY 2004</u> <u>Estimate</u>	<u>Price</u> <u>Growth</u>	<u>Program</u> <u>Growth</u>	
0101	Executive, General and Special Schedules	13,433	457	1	13,891
<b>0199</b>	<b>Total Civilian Personnel Compensation</b>	<b>13,433</b>	<b>457</b>	<b>1</b>	<b>13,891</b>
0308	Travel of Persons	325	6	-1	330
<b>0399</b>	<b>Total Travel</b>	<b>325</b>	<b>6</b>	<b>-1</b>	<b>330</b>
0673	Payments to DFAS	234	33	-29	238
<b>0699</b>	<b>Total Purchases</b>	<b>0</b>	<b>0</b>	<b>231</b>	<b>231</b>
0912	Rental Payments to GSA Leases	970	19	-5	984
0914	Purchased Communications	213	3	0	216
0917	Postage (U.S.P.S.)	5	0	0	5
0920	Supplies & Materials (Non-Fund)	128	2	0	130
0921	Printing and Reproduction	2	0	0	2
0922	Equipment Maintenance by Contract	26	0	1	27
0925	Equipment Purchases (Non-Fund)	80	1	0	81
0987	Other Intra-government Purchases	1,659	25	-1	1,683
0989	Other Contracts	2,750	41	-493	2,298
0998	Other Costs	571	9	0	580
<b>0999</b>	<b>Total Other Purchases</b>	<b>6,404</b>	<b>100</b>	<b>-498</b>	<b>6,006</b>
<b>9999</b>	<b>GRAND TOTAL</b>	<b>20,396</b>	<b>596</b>	<b>-527</b>	<b>20,465</b>