

Fiscal Year (FY) 2008/FY 2009 Budget Estimates
Defense Technology Security Administration
(DTSA)



February 2007

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**DEFENSE TECHNOLOGY SECURITY ADMINISTRATION
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2008/FY 2009 Budget Estimates**

**Operation and Maintenance, Defense-Wide Summary (\$ in thousands)
Budget Activity (BA) #4: Administration and Service Wide Activity**

	<u>FY 2006</u> <u>Actuals</u>	<u>Price</u> <u>Change</u>	<u>Program</u> <u>Change</u>	<u>FY 2007</u> <u>Estimate</u>	<u>Price</u> <u>Change</u>	<u>Program</u> <u>Change</u>	<u>FY 2008</u> <u>Estimate</u>	<u>Price</u> <u>Change</u>	<u>Program</u> <u>Change</u>	<u>FY 2009</u> <u>Estimate</u>
DTSA	20,975	443	264	21,682	593	1,396	23,671	520	-1,896	22,295

* The FY 2006 Actual, FY07 Estimate, FY08 Estimate, and FY09 Estimate columns contain no supplemental funding.

I. Description of Operations Financed: The Defense Technology Security Administration (DTSA) develops and implements, consistent with U.S. policy, national security objectives, and Federal laws and regulations, Department of Defense (DoD) technology security policies on international transfers of defense-related goods, services, and technologies to:

- 1) Preserve critical U.S. military warfighter technological advantages;
- 2) Support legitimate defense cooperation with foreign friends and allies;
- 3) Prevent proliferation and diversion technology that could prove detrimental to U.S. national security interests;
- 4) Assure the health of the U.S. defense industrial base; and
- 5) Implement enterprise-wide resources to ensure organizational structures, processes, and procedures to support the DTSA's strategic direction.

The DTSA develops and implements, consistent with U.S. policy, national security objectives, and Federal laws and regulations, DoD international security programs and policies for:

- 1) The disclosure of classified military information and materiel to foreign governments and international organizations;

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I. Description of Operations Financed (continued):

- 2) Security requirements and procedures for intelligence exchanges, security assistance and armaments cooperation programs;
- 3) The administration and interagency Chair of the National Disclosure Policy Committee (NDPC); and
- 4) Other international security aspects of foreign disclosure and international security requirements on behalf of the DoD.

The DTSA is structured to develop and execute technology security functions on behalf of the DoD in three critical areas: technology security policy; technology security implementation; and technology security compliance and enforcement.

Technology Security Policy:

- (1) Determines, coordinates and issues DoD positions and political-military arguments on export control regulations for goods and services;
- (2) Determines, coordinates, and issues technology security guidelines and procedures to DoD components, agencies, and organizations;
- (3) Supports and participates in USG discussions and negotiations with foreign governments and international organizations on export control matters, including requests for exceptions to national disclosure policy and the design and implementation of international export control regimes (e.g., Wassenaar Arrangement and the Missile Technology Control Regime);
- (4) Represents DoD on interagency committees, boards, and steering groups on U.S. technology security policy matters; and
- (5) Performs with OUSD(AT&L), the Military Departments, Defense Agencies, and other OSD entities, to ensure the success of such initiatives like NATO

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I. Description of Operations Financed (continued):

Defense Capabilities Initiative, the Global War on Terrorism, and Operation Iraqi Freedom.

Technology Security Implementation:

- (1) Determines, coordinates, and issues DoD positions on munitions and dual-use export license applications referred to DoD by the Department of State, the Department of Commerce;
- (2) Provides policy and technical input to the National Disclosure Policy Committee dealing with disclosure guidance for classified military information;
- (3) Determines, coordinates, and issues 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 (CFIUS); and
- (4) Coordinates security reviews of patent applications for sensitive technical information.

Technology Security Compliance and Enforcement:

- (1) Coordinates and implements Space Launch Safeguards and Monitoring Program;
- (2) Identifies and applies safeguards on specific transfers of munitions and dual-use goods and technologies to mitigate security risks associated with proliferation, diversion or misuse;
- (3) Determines, coordinates, and issues DoD positions on compliance and enforcement matters referred to DoD by export control regulatory agencies, including review and advice on voluntary disclosures under the International Traffic in Arms Regulations; and

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I. Description of Operations Financed (continued):

- (4) Provides technical support to technology security intelligence, enforcement, and diplomatic organizations and activities throughout the U.S. Government.

II. Force Structure Summary: N/A

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III. Financial Summary (\$ in thousands)

	FY 2007							
	FY 2006 <u>Actuals</u>	Budget <u>Request</u>	<u>Congressional Action</u>			Current <u>Estimate</u>	FY 2008 <u>Estimate</u>	FY 2009 <u>Estimate</u>
			<u>Amount</u>	<u>Percent</u>	<u>Appropriated</u>			
A. <u>BA Sub-Activity</u>								
Admin & Service-Wide	20,975	21,899	-217	-.009	21,682	21,682	23,671	22,295
Total	20,975	21,899	-217	-.009	21,682	21,682	23,671	22,295

* The FY 2006 Actual, FY07 Estimate, FY08 Estimate, and FY09 Estimate columns contain no supplemental funding.

B. <u>Reconciliation Summary</u>	<u>Change</u> <u>FY 2007/FY 2007</u>	<u>Change</u> <u>FY 2007/FY 2008</u>	<u>Change</u> <u>FY 2008/FY 2009</u>
Baseline Funding	21,899	21,682	23,671
Congressional Adjustments (Distributed)			
Congressional Adjustments (Undistributed)	-118		
Adjustments to Meet Congressional Intent	-11		
Congressional Adjustments (General Provisions)	-88		
Subtotal Appropriated Amount	21,682		
Fact-of-Life Changes (CY to CY Only)			
Subtotal Baseline Funding	21,682		
Anticipated Supplemental Reprogramming			
Price Changes		593	520
Functional Transfers			
Program Changes		1,396	-1,896
Current Estimate	21,682	23,671	22,295
Less: Wartime Supplemental			
Normalized Current Estimate	21,682	23,671	22,295

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III. Financial Summary (\$ in thousands)

C. <u>Reconciliation of Increases and Decreases</u>	<u>Amount</u>	<u>Totals</u>
FY 2007 President's Budget Request (Amended, if applicable)		21,899
1. Congressional Adjustments		-217
a. Distributed Adjustments		
b. Undistributed Adjustments	-118	
c. Adjustments to meet Congressional Intent		
d. General Provisions		
1) Sec 8106 - Economic Assumptions	-73	
2) Sec 8097 - Excessive growth in Travel and Transportation	-15	
e. Congressional Earmarks - Indian Lands Environmental Impact	-11	
FY 2007 Appropriated Amount		21,682
2. War-Related and Disaster Supplemental Appropriations		
3. Fact of Life Changes		
FY 2007 Baseline Funding		21,682
4. Reprogrammings (requiring 1415 Actions)		
Revised FY 2007 Estimate		21,682
5. Less: Item 2, War-Related and Disaster Supplemental Appropriations and Item 4, Reprogrammings, Iraq Freedom Fund Transfers		
FY 2007 Normalized Current Estimate		21,682
6. Price Change		593
7. Functional Transfers		
8. Program Increases		
a. Annualization of New FY 2007 Program		
b. One-Time FY 2008 Increases		
c. Program Growth in FY 2008		1,535

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C. <u>Reconciliation of Increases and Decreases</u>	<u>Amount</u>	<u>Totals</u>
1) Civilian Pay: This increase supports the annualizing of FTEs, change in compensable days, and lower vacancy rate. (FY 2007 Baseline: \$15,788)	320	
2) Operational Requirements: This increase supports operational functions, such as higher than expected IT support costs, continuation of contractor support to process export licenses, and increased support for National Disclosure Policy and international security policy programs. (FY 2007 Baseline: \$5,894)	1,215	
9. Program Decreases		-139
a. Annualization of FY 2007 Program Decreases		
b. One-Time FY 2007 Increases		
c. Program Decreases in FY 2008		
1) Operational Requirements: This decrease is attributable to lower TDY requirements, lease costs, and equipment purchases. (FY 2007 Baseline: \$5,894)	-139	
FY 2008 Budget Request		23,671
10. Price Change		520
11. Functional Transfers		
12. Program Increases		
a. Annualization of New FY 2008 Program		
b. One-Time FY 2009 Increases		
c. Program Growth in FY 2009		308
1) Civilian Pay: This increase supports the annualizing of FTEs and lower vacancy rate. (FY 2008 Baseline: \$16,582)	226	
2) Operational Requirements: This increase supports operational functions such as, increased cost for DFAS support, supplies, and equipment purchases and maintenance. (FY 2008 Baseline: \$7,089)	82	
13. Program Decreases		

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III. Financial Summary (\$ in thousands)

<u>C. Reconciliation of Increases and Decreases</u>	<u>Amount</u>	<u>Totals</u>
a. Annualization of FY 2008 Program Decreases		
b. One-Time FY 2008 Increases		
c. Program Decreases in FY 2009		-2,204
1) Civilian Pay: Decrease in actual compensable days (FY 2008 Baseline: \$16,582)	-66	
2) Operational Requirements: This decrease is attributable to reductions in TDY, Lease costs, communications, contractor support to process export licenses, and support for National Disclosure Policy and international security policy programs. (FY 2008 Baseline: \$7,089)	-2,138	
FY 2009 Budget Request	22,295	22,295

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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 DTSA: 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 2006</u>	<u>FY 2007</u>	<u>FY 2008</u>	<u>FY 2009</u>
Technology Security Actions (TSAs)	100,058	102,159	104,305	106,495

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V. Personnel Summary	FY 2006	FY 2007	FY 2008	FY 2009	Change			
					FY 2006/ FY 2007	FY 2007/ FY 2008	FY 2008/ FY 2009	
<u>Active Military End Strength (E/S) (Total)</u>								
Officer	16	12	12	12	-4			
Enlisted	15	14	14	10	-1			-4
<u>Civilian End Strength (Total)</u>								
U.S. Direct Hire	152	152	153	158		+1		+5
Total Direct Hire	152	152	153	164		+1		+5
Memo: Reimbursable Civilians Included	38	38	38	38				
<u>Active Military Average Strength (A/S)</u>								
(Total)								
Officer	12	12	12	12				
Enlisted	15	14	14	10	-1	-		-4
<u>Civilian FTEs (Total)</u>								
U.S. Direct Hire	152	152	153	158		+1		+5
Total Direct Hire	152	152	153	158		+1		+5
Memo: Reimbursable Civilians Included	38	38	38	38				
Average Annual Civilian Salary (\$)	122,336	135,191	140,562	140,595	12,855	5,371		33

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VI. OP 32 Line Items as Applicable (Dollars in thousands):

	FY 2006 <u>Actuals</u>	Change <u>FY 2006/FY 2007</u>		FY 2007 <u>Estimate</u>	Change <u>FY 2007/FY 2008</u>		FY 2008 <u>Estimate</u>	Change <u>FY 2008/FY 2009</u>		FY 2009 <u>Estimate</u>
		<u>Price</u>	<u>Program</u>		<u>Price</u>	<u>Program</u>		<u>Price</u>	<u>Program</u>	
<u>Civilian Personnel Compensation</u>										
101 Exec, Gen & Special Schedules	14,874	327	587	15,788	474	320	16,582	381	160	17,123
199 Total Civilian Compensation	14,874	327	587	15,788	474	320	16,582	381	160	17,123
<u>Travel</u>										
308 Travel of Persons	279	7	102	388	9	-1	396	9	-1	404
399 Total Travel	279	7	102	388	9	-1	396	9	-1	404
<u>Other Fund Purchases</u>										
673 DFAS	264	-25	29	268	-13	17	272	-14	18	276
699 Total Purchases	264	-25	29	268	-13	17	272	-14	18	276
<u>Other Purchases</u>										
912 Rental Payments	1,134	28	-101	1,061	27	-16	1,072	27	-15	1,084
914 Purchased Communications	207	5	2	214	5	-1	218	5	-1	222
917 Postal Services	1	0	0	1	0	0	1	0	0	1
920 Supplies & Materials	58	1	91	150	3	83	236	5	62	303
922 Equipment Maintenance	34	1	-35	0		21	21	0	1	22
925 Equipment Purchases	141	3	-5	139	3	-121	21	0	1	22
987 Other Intra-Government	1,824	44	-1	1,867	43	755	2,665	59	-684	2,040
989 Other Contracts	2,159	52	-405	1,806	42	339	2,187	48	-1,437	798
999 Total Other Purchases	5,558	134	-454	5,238	123	1,060	6,421	144	-2,073	4,492
Grand Total	20,975	443	264	21,682	593	1,396	23,671	520	-1,896	22,295

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