

Fiscal Year (FY) 2007 Budget Estimates
Defense Technology Security Administration
(DTSA)



February 2006

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**DEFENSE TECHNOLOGY SECURITY ADMINISTRATION
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2007 Budget Estimates**

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

	<u>FY 2004</u> <u>Actual</u>	<u>Price</u> <u>Change</u>	<u>Program</u> <u>Change</u>	<u>FY 2006</u> <u>Estimate</u>	<u>Price</u> <u>Change</u>	<u>Program</u> <u>Change</u>	<u>FY 2007</u> <u>Estimate</u>
DTSA	19,399	556	1,382	21,337	441	121	21,899

* The FY 2005 Actual column and the FY 2006 Estimate column contains no supplemental funds.

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 six objectives that principally support the USG National Security Strategy of preparing for future threats: (1) critical US military technological advantages are preserved; (2) legitimate defense cooperation with foreign friends and allies is supported; (3) transfers that could prove detrimental to US security interests are controlled and limited; (4) proliferation of weapons of mass destruction and their means of delivery is prevented; (5) diversion of defense-related goods to terrorists is prevented; and (6) the health of the defense industrial base is assured.

The FY 2006 budget request is \$21.337 million and FY 2007 budget request is \$21.899 million. The FY 2007 budget request reflects an overall increase of \$.562 million over the FY 2006 current estimate. The increase of \$.562 million includes a price adjustment of \$.441 million and program decrease of \$-.326 million offset by program increase of \$.447 million. The programmatic increase adjustment reflects additional FTE cost and copiers life cycle purchase. The programmatic decrease reflects adjustments of operational requirements, such as contract support reduction.

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II. Force Structure Summary: The Technology Security Program supports three basic areas: (1) technology security policy; (2) technology security implementation; and (3) technology security compliance and enforcement, as follows:

Technology Security Policy: (1) Determines, coordinates and issues Department of Defense (DoD) positions on export control regulations, control lists, entity/project/end-user lists, commodity jurisdiction and classification matters; (2) Determine, coordinate, and issue technology security guidelines and procedures to DoD components and organizations; (3) Provide 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) Represent 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, Global War on Terrorism and Operation Enduring Freedom.

Technology Security Implementation: (1) Determines, coordinates, and issues DoD positions on export license applications referred to DoD by regulatory agencies; (2) Provide 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; and (4) Administers the responsibilities of the former Armed Services Patent Advisory Board including coordinating DoD's review process for patent secrecy determinations.

Technology Security Compliance and Enforcement: (1) Coordinates and implements the Space Launch Safeguards and Monitoring Program; (2) Identifies and applies safeguards on specific transfers of controlled military and dual-use goods and technologies to mitigate security risks associated with diversion or misuse; (3) Determines, 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) Provides technical support

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to technology security intelligence, enforcement, and diplomatic organizations and activities of the U.S. Government.

III. Financial Summary (\$ in Thousands)

		<u>FY 2006</u>						
		<u>Congressional Action</u>						
A. <u>Subactivities</u>	<u>FY 2005 Actuals</u>	<u>Budget Request</u>	<u>Amount</u>	<u>Percent</u>	<u>Appropriated</u>	<u>Current Estimate</u>	<u>FY 2007 Estimate</u>	
Admin & Service-wide	19,399	21,697	-360	-1.66	21,337	21,337	21,899	
		<u>Change</u>		<u>Change</u>				
B. <u>Reconciliation Summary</u>		<u>FY 2006/FY 2006</u>		<u>FY 2006/FY 2007</u>				
Baseline Funding		21,697		21,337				
Congressional Adjustments (Distributed)								
Congressional Adjustments (Undistributed)				-41				
Adjustments to Meet Congressional Intent								
Congressional Adjustments (General Provisions)				-307				
Congressional Earmarks				-12				
Subtotal Appropriated Amount				21,337				
Fact-of-Life Changes (CY to CY Only)								
Subtotal Baseline Funding								
Anticipated Supplemental								
Reprogrammings								
Price Changes						441		
Functional Transfers								
Program Changes						121		
Current Estimate				21,337		21,899		

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<u>C. Reconciliation of Increases and Decreases</u>	<u>Amount</u>	<u>Totals</u>
FY 2006 President's Budget Request	21,697	21,697
1. Congressional Adjustments		
a. Distributed Adjustments		
b. Undistributed Adjustments - Unobligated Balances	-41	-41
c. Adjustments to meet Congressional Intent - 1% Rescission	-216	-216
d. General Provisions		-91
1) Sec 8087 - Advisory and Assistance Services	-41	
2) Sec 8125 - Economic Assumptions	-34	
3) Sec 8109 - Excessive Growth in Travel and Transportation	-16	
e. Congressional Earmarks - Indian Lands Environmental Impact	-12	-12
FY 2006 Appropriated Amount	21,337	21,337
2. War-Related and Disaster Supplemental Appropriations		
3. Fact of Life Changes		
FY 2006 Baseline Funding	21,337	21,337
4. Reprogrammings		
Revised FY 2006 Estimate	21,337	21,337
5. Less: Item 2, War-Related and Disaster Supplemental Appropriations and Item 4, Reprogrammings, Iraq Freedom Fund Transfers		
FY 2006 Normalized Current Estimate	21,337	21,337
6. Price Change	441	441
7. Functional Transfers		
8. Program Increases		
a. Annualization of New FY 2006 Program		
b. One-Time FY 2007 Costs		
c. Program Growth in FY 2007		447
1) Civilian Pay: This increase provides annualization for one Full-Time Equivalent (FTE) in support of one military-to- civilian conversion and two additional FTEs to support the technical review of Space-Related Export Licenses. (FY 2006 Baseline: 15,386K)	274	
2) Equipment Purchase: This increase provides acquisition support	118	

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C. <u>Reconciliation of Increases and Decreases</u>	<u>Amount</u>	<u>Totals</u>
associated with implementing life cycle cost for the purchase of copiers. (FY 2006 Baseline: 98K)		
3) Operational Requirements: This increase supports requirements associated with general operation functions, such as Defense Finance Accounting Service (DFAS), communications, other governmental purchases, etc. (FY 2006 Baseline: 4,025K)	55	
9. Program Decreases		
a. One-Time FY 2006 Costs		
b. Annualization of FY 2006 Program Decreases		
c. Program Decreases in FY 2007		-326
1) Other Contracts: This decrease supports requirements associated with general operation functions, such as acquisition support associated with copier maintenance while implementing life cycle purchase of new copiers and contractual support associated with implementing the Technology Security Process Improvement Plan (FY 2006 Baseline: 1,824K)	-326	
FY 2007 Budget Request	21,899	21,899

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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 2005</u>	<u>FY 2006</u>	<u>FY 2007</u>
Technology Security Actions (TSAs)	100,607	102,619	104,671

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V. <u>Personnel Summary</u>	<u>FY 2005</u>	<u>FY 2006</u>	<u>FY 2007</u>	<u>Change</u> <u>FY 2005/</u> <u>FY 2006</u>	<u>Change</u> <u>FY 2006/</u> <u>FY 2007</u>
<u>Active Military End Strength (E/S) (Total)</u>	32	31	31	-1	
Officer	16	16	16		
Enlisted	16	15	15	-1	
<u>Civilian End Strength (Total)</u>	135	155	155	20	
U.S. Direct Hire	135	155	155	20	
Total Direct Hire	135	155	155	20	
Memo: Reimbursable Civilians Included	24	38	38	14	
<u>Active Military Average Strength (A/S) (Total)</u>	32	31	31	-1	
Officer	16	16	16		
Enlisted	16	15	15	-1	
 <u>Civilian FTEs (Total)</u>	 133	 152	 152	 19	
U.S. Direct Hire	133	152	152	19	
Total Direct Hire	133	152	152	19	
Memo: Reimbursable Civilians Included	24	38	38	14	
 <i>Average Annual Civilian Salary</i>	 <i>130,699</i>	 <i>131,520</i>	 <i>136,572</i>		

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

		<u>Changes from FY 2005 to</u>			<u>Changes from FY 2006 to</u>			
		<u>FY 2006</u>			<u>FY 2007</u>			
		FY 2005	Price	Program	FY 2006	Price	Program	FY 2007
		Program	Growth	Growth	Program	Growth	Growth	Program
<u>CIVILIAN PERSONNEL COMPENSATION</u>								
0101	Exec, Gen and Special Schedules	14,205	440	741	15,386	338	274	15,998
0199	Total Civilian Personnel Compensation	14,205	440	741	15,386	338	274	15,998
<u>TRAVEL</u>								
0308	Travel of Persons	323	8	48	379	8	1	388
0399	Total Travel	323	8	48	379	8	1	388
<u>OTHER FUND PURCHASES</u>								
0673	Payments to DFAS	185	-5	81	261	-25	29	265
0699	Total Purchases	185	-5	81	261	-25	29	265
<u>OTHER PURCHASES</u>								
0912	Rental Payments to GSA Leases	1,015	25	-86	954	24	-14	964
0914	Purchased Communications	276	7	-78	205	5	1	211
0917	Postage (U.S.P.S.)	3	0	0	3	0	0	3
0920	Supplies & Materials (Non-Fund)	85	2	35	122	3	1	126
0921	Printing and Reproduction	0	0	1	1	0	0	1
0922	Equipment Maintenance by Contract	18	0	2	20	0	-20	0
0925	Equipment Purchases (Non-Fund)	90	2	6	98	2	118	218
0987	Other Intra-Government Purchases	2,003	48	-236	1,815	40	15	1,870
0989	Other Contracts	919	22	863	1,804	40	-306	1,538
0998	Other Costs	263	7	5	289	6	22	317
0999	Total Other Purchases	4,686	113	512	5,311	120	-183	5,248
9999	GRAND TOTAL	19,399	556	1,382	21,337	441	121	21,899