

Fiscal Year 2013 Budget Estimates
DEFENSE TECHNOLOGY SECURITY ADMINISTRATION



February 2012

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**Defense Technology Security Administration
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2013 Budget Estimates**

Operation and Maintenance, Defense-Wide Summary (\$ in thousands)

Budget Activity (BA) 4: Administration and Service Wide Activities

	FY 2011	Price	Program	FY 2012	Price	Program	FY 2013
	<u>Actuals</u>	<u>Change</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Change</u>	<u>Estimate</u>
DTSA	36,562	193	-2,976	33,779	292	1,248	35,319

I. Description of Operations Financed: The Defense Technology Security Administration (DTSA) promotes and defends the United States (U.S.) national security interests by protecting critical technology while building relationships and interoperability with friends and Allies. The DTSA's mission is to guard against critical technology exports that threaten national security objectives and undermine U.S. foreign policy. The DTSA is the principle defense agency responsible for providing direction and stewardship of technology security policies and making informed coordinated recommendations on the national security implications of international transfers of controlled technology, goods, and services subject to the licensing requirements of the Departments of Commerce and State under DoD Directive 5105.72. The DTSA coordinates the DoD review of Department of State license applications for the export of defense-related goods and services under the International Traffic in Arms Regulations (ITAR) and Department of Commerce license requirements regarding the export of sensitive dual-use goods and technologies under the Export Administration Regulations (EAR). Dual use technology facilitates development of legitimate commercial products, improving the overall defense industrial base of a country. The performance of these activities assists in setting policies and regulations to help achieve the DTSA goals to:

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I. Description of Operations Financed (cont.)

- Preserve the U.S. defense edge by preventing the proliferation and diversion that could prove detrimental to U.S. national security.
- Engage U.S. Allies and partners to increase interoperability and protect critical technology.
- Facilitate the health of the U.S. industrial base.
- Align and utilize resources to support DTSA's mission.

For more information visit: <http://www.dtsa.mil>

In August 2011, the Secretary of Defense emphasized a key challenge facing the Department of Defense in reducing defense spending and improving controls over financial reporting. The DTSA implemented the Defense Agency Initiatives (DAI) to improve its financial reporting information, which resulted in realigning the presentation of the DTSA Directorates from its previous FY 2012 President's Budget Justification Estimates. The descriptions of operations financed reflect the realigned/renamed DTSA directorates and their respective FY 2011 Actuals, FY 2012 and FY 2013 Estimates.

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I. Description of Operations Financed (cont.)

Executive Operations:	FY 2011	FY 2012	FY 2013
	<u>Actuals</u>	<u>Estimate</u>	<u>Estimate</u>
	1,422	1,500	1,548

The DTSA Director shall administer, consistent with U.S. policy, national security objectives, and Federal laws and regulations. The development and implementation of DoD technology security policies on international transfers of defense-related goods, services, and technologies to ensure that critical U.S. military technological advantages are preserved; transfers that could prove detrimental to U.S. security interests are controlled and limited; proliferation of weapons of mass destruction and their means of delivery is prevented; diversion of defense-related goods to terrorists is prevented; legitimate defense cooperation with foreign friends and allies is supported; and the health of the defense industrial base is assured. Technology Security and Foreign Disclosure Office (TSFDO) falls under Executive Directorate. In December 2010, the Deputy Secretary of Defense directed the establishment of the Technology Security and Foreign Disclosure Office (TSFDO) to harmonize and streamline top level and high level decisions for U.S. technology release requests. In accordance with this decision, DTSA is hosting, managing, and supporting the TSFDO to include providing partial manning, office space, security and logistical support. The TSFDO was stood-up on 14 Feb 2011, achieved Full Operating Capability and manning in late 2011. In order to accomplish its mission, TSFDO will consult with and provide guidance to DoD Technology Security and Foreign Disclosure (TS&FD) authorities; implement improved manual and automated procedures; coordinate and direct actions; conduct screening and triage for prioritized requests; develop consolidated policy documents; frame issues for senior-level adjudication, appeal and decision; coordinate analyses for prioritized TS&FD issues; and conduct TS&FD policy and process outreach across the TS&FD community.

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I. Description of Operations Financed (cont.)

Technology Security Policy:	FY 2011	FY 2012	FY 2013
	<u>Actuals</u>	<u>Estimate</u>	<u>Estimate</u>
	4,668	4,766	4,832

The Technology Security Policy (TSP), Directorate focuses on regional issues, negotiations and liaison, capabilities and systems, and intelligence assessments.

The Directorate personnel support, lead, develop, implement, and monitor implementation of DoD and U.S. Government (USG) technology security policies for assigned activities. These activities ensure that technology security concerns and objectives are integrated into DoD policy decisions and broader USG national security policies. The TSP Directorate is responsible for conveying interagency technology security decisions to the DoD policy community and ensuring policy considerations are presented to DTSA technical and licensing staffs. Examples of these activities are:

- The Wassenaar Arrangement (WA) - DTSA is the DoD lead for the development and implementation of policy positions relating to the WA. Representatives from TSP and other DoD offices send representatives to express DoD's viewpoint and preserve our equities by promoting transparency and greater responsibility in transfers of conventional arms and dual-use goods and technologies, thus preventing destabilizing accumulations. The U.S. considers WA a critical component of the nonproliferation and export control strategy. The WA is the primary mechanism for DoD to impose export control requirements on emerging technologies. The Department encourages participating States' representation to foster international security viewpoints.
- Export Control Reform (ECR) - The TSP Directorate is the lead for development of DoD's export control reform efforts as part of the Administration's ECR initiative.

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I. Description of Operations Financed (cont.)

TSP ensures that revised policies, new legislation, and new controls are consistent with the Secretary of Defense's ECR objectives of protecting critical military and intelligence-related technology while at the same time facilitating exports to Allies and close partners.

- Trade Security Controls (TSC) Program - The TSC program's objective is to prevent illegal acquisition or other unauthorized transfers of DoD property, by or to individuals, entities, and/or countries whose interests are adverse to U.S. national security. The commodities include items, technology, and services controlled on the U.S. Munitions List (USML) and the Commerce Control List (CCL). The TSP maintains the policy guidance and chairs a Working Group to review policies, monitor implementation, and address and resolve issues raised by DoD components.
- Sanctions on Foreign Governments and Entities - The TSP Directorate is the DoD lead for coordinating - activities with regard to sanctions on foreign governments or entities for transfer of conventional arms and other export controlled items and technologies to countries of national security and proliferation concern.
- Committee on Foreign Investment in the United States (CFIUS) - Beginning in FY 2012, this CFIUS function transferred to the Office of the Under Secretary of Defense, Acquisition, Technology and Logistics by the direction of the Secretary of Defense Efficiency Initiatives. However, with a significantly reduced staff, DTSA serves as the Office of the Under Secretary of Defense, Policy's (OUSD/P) primary agency for evaluating the potential effects on the sale of military goods, equipment, or technology to countries that support terrorism, missile technology proliferation, and the proliferation of chemical or biological weapons. The DTSA must consider the potential effects of CFIUS transactions on U.S. technological leadership in areas

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I. Description of Operations Financed (cont.)

affecting U.S. national security and critical infrastructure, and whether the acquirer is controlled by, or acting on behalf of, a foreign government.

- United Nations Register of Conventional Arms - The TSP Directorate serves as the OUSD/P, point of contact to this international arms transparency effort that supports openness in the import and export of conventional weapons.
- Arms Trade Treaty under the auspices of the United Nations First Committee -- The United Nations began conducting consultations in 2008, intended to lead to the negotiation of a legally-binding treaty on trade in conventional arms in 2012. TSP represents DoD interests within the interagency and serves on the delegations to negotiations.
- Bilateral Outreach - The TSP Directorate conducts bilateral outreach to partners who have acquired U.S. technology, thus building relationships and emphasizing the importance of proper protection of defense technology. The TSP's education program increases interaction with DTSA's partner's understanding of technology security requirements as well as partner willingness to properly protect the technology they acquire.
- Other duties - The TSP Directorate will represent Combatant Commanders, Military Services, and the Joint Staff technology security positions in bilateral and multilateral forums. This function ensures that U.S. national security concerns are properly articulated and integrated into international technology security efforts. The TSP Directorate also drafts specific control or technology security policies for specific technologies and commodities.

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I. Description of Operations Financed (cont.)

Technology Engineering Operations:	FY 2011	FY 2012	FY 2013
	<u>Actuals</u>	<u>Estimate</u>	<u>Estimate</u>
	9,431	9,016	9,103

The Technology Engineering Operations (TEO) Directorate is the primary source of advice on technical matters pertaining to international transfers of defense-related commodities and technologies. The TEO's primary responsibility is defining the point at which technology becomes critical from a national security perspective, and assuring that international transfers of military technology, defense articles, and/or dual-use commodities meet partnership needs. The TEO staff engineers and scientists provide the knowledge and defense-related technical expertise foundation to shape technology security policy development and implementation. The TEO staff provides technical evaluations and recommendations of international technology transfers consistent with U.S. national security interests and DoD technology security objectives. The TEO is the only source for engineering and scientific analysis for critical military technologies, defense article capabilities, and balancing between military and civil applications of dual-use commodities.

- During FY 2011 the TEO Directorate provided technical evaluations and recommendations for international transfers of defense-related commodities and technologies as follows:
 - 18,276 export license applications
 - 1,430 public release security reviews
 - 163 Committee on Foreign Investment in the U.S. filings

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I. Description of Operations Financed (cont.)

- 71 Exception to National Disclosure Policy requests
- 113 international agreement reviews

- Technology transfer evaluation includes identifying all militarily critical technologies, validating the viability of the stated end use, and identifying relevant foreign availability. The purpose of the technical evaluation is to assess the impact on legitimate defense cooperation with foreign friends and allies and the health of the U.S. defense industrial base is considered in order to maintain the balance between national security concerns and appropriate business opportunities.

- The TEO Directorate ensures the scientific and technical quality of DoD proposals submitted by the USG for international consideration to the Wassenaar Arrangement, the Missile Technology Control Regime, the Australia Group, and other multilateral organizations. The staff reviews proposals from other control regime member countries and establishes a technical negotiating strategy that advances DoD technology security interests in both the USG interagency and international negotiations. The TEO Directorate ensures that technically robust arguments are prepared to negotiate new and updated export controls with both USG interagency and international technical experts, to ensure that DoD equities are satisfied and effectively implemented in international export control.

- The TEO Directorate scientifically and technically reviews and validates changes to the International Traffic in Arms Regulations and the Export Administration Regulations to ensure the revisions are credible, adequate, efficient, and justified.

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I. Description of Operations Financed (cont.)

- The TEO Directorate initiates and directs independent research, studies, and analysis of militarily critical technologies and develops strategies for control of emerging munitions and dual-use technology exports, with a primary emphasis on U.S. and allied national security, Economic and trade issues.

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I. Description of Operations Financed (cont.)

Export Control Operations:	FY 2011	FY 2012	FY 2013
	<u>Actuals</u>	<u>Estimate</u>	<u>Estimate</u>
	5,917	6,115	6,176

The Export Control Operations (ECO) Directorate is the DoD entry and exit point for all DoD actions related to the USG's licensing of export controlled goods and technology via direct commercial sales. The ECO is DoD's principle source of advice on licensing and regulatory issues pertaining to international transfers of defense-related commodities and technologies. The ECO's critical role is identifying national security concerns related to exports of sensitive technology; developing and adjudicating DoD positions that effectively protect and mitigate these concerns while assuring that exports of military technology, defense articles, defense services, and/or dual-use commodities and technology facilitate the U.S. industrial base and increase interoperability of U.S. allies and partners.

- The ECO coordinates, develops and adjudicates the DoD position on export licenses, commodity jurisdiction determinations, export violation and pre-trial disclosures, export rules and regulations received from the Departments of Commerce (DoC) and Department of State (DoS). The DoD's recommendations address technology security policies, warfighter protection, prevent the diversion of sensitive technology and the proliferation of Weapons of Mass Destruction detrimental to U.S. national security. The ECO is responsible for providing the coordinated DoD response on such requests with regard to DoD national security, technology security transfer, and export control policies.

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I. Description of Operations Financed (cont.)

- The DTSA is currently working with the National Security Staff and other executive branch agencies and departments on the Presidential directive to reform the United States s current Export Control system. This systematic review, based on the impact its release would have on U.S. national security, will analyze the current export control requirements and identify the appropriate technology and articles that require license authorization from the USG.,. It is anticipated that, upon completion of the full proposed export reform effort, the result will be a reduction in licensing requirements under both the DoS and DoC export licensing systems. Current DoD export license review requirements are anticipated to grow 2 to 3 percent per year in the near future, although the fruition of current export control reform efforts may lead to steady or probable drops in these requirements.

- The ECO's two divisions analyze either DoS Munitions licenses or DoC Dual-Use export cases.

- Munitions - The Munitions Division reviewed and adjudicated 39,776 munitions export license applications, commodity jurisdiction determinations requests, and export violation reviews received from the DoS in FY 2011. This was a 4.5 percent increase in the number of cases from FY 2010. Over the past 10 years, the number of export licenses from DoS has steadily increased from 14,235 in 1999 to 39,776 in 2011. Additionally, DTSA supports DOS export compliance officials, and DHS and FBI law enforcement officials by identifying the national security impact when the rules and regulations of the Arms Export Control Act (AECA) have been violated. This review process is governed by the AECA, the International Traffic in Arms Regulations (ITAR) and its U.S. Munitions List (USML), as well as by mandates directed by National Security Presidential Directive (NSPD) 56. As the final arbitrator of the DoD position,

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I. Description of Operations Financed (cont.)

DTSA's role in this process is absolutely critical. DoD license recommendations developed by DTSA/ECO support the national security interests of vital DoD major weapon and defense programs (e.g., Joint Strike Fighter and Missile Defense).

- Dual-Use - The Dual-Use Division reviewed and adjudicated 21,149 dual-use export license requests received from the DoC in FY 2011. This was a 11 percent increase in the number of cases from FY 2010 and represents a steady 10 percent increase per year since 1999. Exports requiring the review of pertinent DoD military departments and support agencies are staffed for the appropriate technical evaluation, as well as policy and intelligence analysis, in order to identify and mitigate any national security concerns raised by the export transaction. The final DoD recommended position must be staffed, reviewed, analyzed and adjudicated within a 30 day timeline mandated by Executive Order (EO) 12981 for consistency with U.S. national security objectives and DoD technology security policies. The review process is governed by the Export Administration Act (EAA) and Export Administration Regulations (EAR) implemented by the DoC Bureau of Industry and Security (DoC/BIS). Although the EAA expired on August 20, 2001, EO 13222 of August 17, 2001, 3 CFR, 2001 Comp., p. 783 (2002), as extended by the Notice of August 15, 2007, 72 FR 46137 (August 16, 2007), continued the Export Administration Regulations in effect under the International Emergency Economic Powers Act (IEEPA). In December 1995, EO 12981 outlined procedures for interagency coordination and adjudication of dual-use export license applications submitted to the DoC.

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I. Description of Operations Financed (cont.)

International Security Operations:	FY 2011	FY 2012	FY 2013
	<u>Actuals</u>	<u>Estimate</u>	<u>Estimate</u>
	2,102	1,312	1,350

The International Security Operations (ISO) Directorate carries out the responsibilities of the Secretary of Defense for the U.S. national policy governing the disclosure of classified military information and material to foreign governments and international organizations. The Directorate is responsible for the security aspects of all international cooperative programs for the DoD. The Directorate also serves as the United States Security Authority for NATO Affairs (USSAN) and is responsible for issuing U.S. policies and procedures for protecting and safeguarding NATO classified information. The ISO is responsible for providing U.S. participation at NATO in the formulation of NATO security policies and procedures. The ISO functions are established pursuant to U.S. law, treaty, and international agreements and are in direct support of the Arms Export Control Act, Executive Order 12958, National Security Decision Memorandum 119, the National Disclosure Policy (NDP-1) Presidential Directive on Information Sharing with Australia, Canada and the United Kingdom, DoD Directive 5100.55 and USSAN 1-06.

- ISO is the OSD staff element responsible to the OUSD/P for the formulation, implementation and oversight of the security aspects of all international bilateral and multilateral cooperative programs.
- ISO is responsible for the operation and administration of the interagency National Disclosure Policy Committee (NDPC) charged with the responsibility for developing and promulgating national policy governing the disclosure of classified military

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I. Description of Operations Financed (cont.)

information and material to foreign governments and international organizations (National Disclosure Policy (NDP-1)).

- ISO develops, coordinates and issues the U.S. Government's position on requests for exception to National Disclosure Policy. The Directorate is responsible for developing and promulgating DoD security policies, procedures and standards necessary for effective implementation of NDP-1 throughout the DoD.
- ISO establishes policy governing the foreign release of classified military information and materiel involved in security assistance, arms cooperation, intelligence and other international cooperative programs. ISO provides policy guidance on required security arrangements for these programs and intelligence and geospatial arrangements with foreign governments.
- ISO prepares and initiates negotiations for General Security Agreements (GSAs) and Industrial Security Agreements per Presidential and National Security Council directive.
- ISO arranges for on-site security assessments of foreign government security programs to ascertain and monitor the capability of governments which the United States has established bilateral GSAs to protect U.S. classified information. The Directorate hosts foreign government security officials during the conduct of reciprocal security assessments.
- ISO establishes security requirements for all bilateral and multilateral cooperative programs with foreign governments to assure that U.S. security interests are protected.

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I. Description of Operations Financed (cont.)

- ISO serves as the DoD Designated Security Authority for international cooperative programs.
- ISO serves as the U.S. Security Authority to NATO and represents the United States on the NATO Security Committee and its working groups and develops the interagency coordinated U.S. position on NATO security matters.
- ISO develops policies for and provides oversight to the Defense Personnel Exchange Program (DPEP), the Foreign Liaison Officer (FLO) Program, the Cooperative Program Personnel (CCP) Program, and the Foreign Visits Program.
- ISO represents the United States on the Multinational Industrial Security Working Group (MISWG).
- ISO develops and provides policy oversight of international security training programs for the DoD and Defense industry.

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I. Description of Operations Financed (cont.)

Space Monitoring Reimbursable:	FY 2011	FY 2012	FY 2013
	<u>Actuals</u>	<u>Estimate</u>	<u>Estimate</u>
	1,577	2,500	2,500

The Space Monitoring (SM) Directorate is responsible for providing monitoring services to industry in accordance with DoS licenses and the ITAR. The SM monitoring consists of the review and approval prior to release of technical data to foreign parties and the monitoring of technical assistance and defense services between US and foreign persons at technical meetings and launch campaigns. The SM is a reimbursable program per Public Law 105-261 for all technical data reviews and defense service monitoring associated with the launching of US commercial communication satellites aboard foreign non-NATO or non-major ally launch vehicles.

Enterprise Operations Support:	FY 2011	FY 2012	FY 2013
	<u>Actuals</u>	<u>Estimate</u>	<u>Estimate</u>
	5,557	6,067	6,844

The Enterprise Operations Support (EOS) plans, directs, and implements services in support of senior DTSA Executives and staff in the areas of human capital programs; planning, programming and budgeting; security; information technology; and general administrative support. Execution of these activities will ensure DTSA fulfills its technology security mission and meets its strategic goals.

The EOS responsibilities include oversight of personnel and manpower (military and civilian); financial execution; Defense Travel System (DTS) utilization; acquisition and

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I. Description of Operations Financed (cont.)

contract administration; physical and personnel security; Anti-Terrorism/Force Protection, information security; information technology and network operations mission system; facilities management; property accountability; internal management control programs; and strategic planning.

Security Policy Automation Network (SPAN)	<u>FY 2011</u> <u>Actuals</u>	<u>FY 2012</u> <u>Estimate</u>	<u>FY 2013</u> <u>Estimate</u>
	7,464	5,003	5,466

The SPAN is a group of systems and applications that automates many of the technology security actions. The primary SPAN systems maintained by DTSA include the following:

- USXPORTS - Provides case management and workflow tracking of DoD's disposition for munitions and dual-use license applications received from DoS and DoC.
- Spacelink - Provides a functional IT application to support statutory Space Monitoring mission. The system provides a web-based, collaborative environment for DoD and Industry to share and review all documentation associated with a foreign launch of U.S. technology.
- Foreign Visits System - The system is a multi-application infrastructure to request, approve, and confirm visits by foreign nationals to DoD facilities and organizations.
- Foreign Disclosure System - Provides an infrastructure to track various disclosures of classified military information to foreign governments.
- National Disclosure Policy System - Provides an infrastructure to support the functioning of the inter-agency National Disclosure Policy Committee, to include records of decisions on exceptions to national disclosure policy.

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I. Description of Operations Financed (cont.)

- Export Licensing Information System Advisor (ELISA) - Provides an electronic mechanism for industry to obtain the current status on dual-use and munitions license applications.
- The DoD Patent Application Review System - Provides case management and workflow tracking of U.S. patent applications and secrecy order recommendations.

The SPAN is currently supported by contractors in the areas of software maintenance and documentation. The contractor also supports SPAN infrastructure requirements including technical support for networks, server support, mail and messaging, archiving, and database administration. This also includes SPAN system design and integration for networks and servers, design and implementation of mail and messaging solutions, technical solutions for certification, technical solutions to meet Federal archiving requirements for automated records, and technical personnel for operations requirements in these areas.

In response to the President's directive for export control reform (ECR), it was determined that USXPORTS offers greatest potential to evolve into a single interagency electronic export licensing system. Efforts to modernize and homogenize interagency automation have progressed with the DoS and DoC towards this end. USXPORTS is undergoing additional enhancements to support DoS export licensing processes by March 2012.

II. Force Structure Summary:

Not Applicable.

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III. Financial Summary (\$ in thousands)

	<u>FY 2012</u>							<u>FY 2013</u> <u>Estimate</u>
	<u>FY 2011</u> <u>Actuals</u>	<u>Budget</u> <u>Request</u>	<u>Congressional Action</u>			<u>Current</u> <u>Estimate</u>		
			<u>Amount</u>	<u>Percent</u>	<u>Appropriated</u>			
A. <u>BA Subactivities</u>								
Operations and Maintenance	36,562	33,848	-69	-0.2	33,779	33,779	35,319	
Total	36,562	33,848	-69	-0.2	33,779	33,779	35,319	

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III. Financial Summary (\$ in thousands)

B. Reconciliation Summary

	Change FY 2012/FY 2012	Change FY 2012/FY 2013
Baseline Funding	33,848	33,779
Congressional Adjustments (Distributed)		
Congressional Adjustments (Undistributed)	-56	
Adjustments to Meet Congressional Intent		
Congressional Adjustments (General Provisions)	-13	
Subtotal Appropriated Amount	33,779	
Fact-of-Life Changes (2012 to 2012 Only)		
Subtotal Baseline Funding	33,779	
Supplemental		
Reprogrammings		
Price Changes		292
Functional Transfers		
Program Changes		1,248
Current Estimate	33,779	35,319
Less: Wartime Supplemental		
Normalized Current Estimate	33,779	

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III. Financial Summary (\$ in thousands)

	Amount	Totals
C. Reconciliation of Increases and Decreases		
FY 2012 President's Budget Request (Amended, if applicable)		33,848
1. Congressional Adjustments		-69
a. Distributed Adjustments		
b. Undistributed Adjustments		
1) Unobligated Balance	-56	
c. Adjustments to Meet Congressional Intent		
d. General Provisions		
1) Sec 8034 Mitigation of Environment Impacts	-13	
FY 2012 Appropriated Amount		33,779
2. War-Related and Disaster Supplemental Appropriations		
3. Fact-of-Life Changes		
FY 2012 Baseline Funding		33,779
4. Reprogrammings (Requiring 1415 Actions)		
Revised FY 2012 Estimate		33,779
5. Less: Item 2, War-Related and Disaster Supplemental Appropriations and Item 4, Reprogrammings		
FY 2012 Normalized Current Estimate		33,779
6. Price Change		292
7. Functional Transfers		
8. Program Increases		1,590
a. Annualization of New FY 2012 Program		
b. One-Time FY 2013 Increases		
c. Program Growth in FY 2013		
1) Compensable Days	105	
Reflects one extra compensable days between FY 2012 to FY 2013. (FY 2012 Baseline: \$23,405)		
2) Civilian Compensation	953	
Increase reflects price changes, temporary duty into the dangers zone that includes Harzard pay, Travel comp time		

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C. Reconciliation of Increases and Decreases	Amount	Totals
pay, overtime pay, and Holiday/Sunday pay. (FY 2012 Baseline: \$23,405 thousand)		
3) Operational Costs	286	
Increase in accounting and finance services due to implementation of Defense Agencies Initiative and COOP site bed-down costs. (FY 2012 Baseline: \$325 thousand)		
4) Other Services	246	
Increase is for the information technology hardware refresh. (FY 2012 Baseline: \$6,228 thousand)		
9. Program Decreases		-342
a. Annualization of FY 2012 Program Decreases		
b. One-Time FY 2012 Increases		
c. Program Decreases in FY 2013		
1) Operational Cost	-296	
Results reduction in supplies/material, purchased communications, management professional support and reduction in lease cost. (FY 2012 Baseline: \$2,805 thousand)		
2) Reduction in Executive Order Compliance - Travel	-38	
Reflects less travel based on higher VTC usage. (FY 2012 Baseline: \$627 Thousand)		
3) Defense Financial and Accounting Services	-8	
Reduction reflects inflation adjustments and having deployed Defense Agency Initiative . (FY 2012 Baseline: \$214 Thousand)		
FY 2013 Budget Request		35,319

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IV. Performance Criteria and Evaluation Summary:

Technology Security Actions (TSAs) represent work accomplished by the DTSA. A typical TSA represents a unit of work, which allows for the tracking and analysis of our business activity. On average DTSA process 140,000 actions annually, such actions actually counted represents the application of resources to achieve all mission, regulatory, statutory goals, and objectives. Some TSAs are devoid of precise performance or time measurement. For example, the development of an International Agreement may take months of work, negotiation, and coordination before actual implementation, where the review of a license is measured and tracked daily.

Percent of Munitions and Dual-Use Licenses referred back to regulatory agencies within statutory timelines. In FY 2011, DTSA will adjudicate 100% of Munitions and Dual-Use export license applications received from the Department of State and Commerce within prescribed statutory timelines.

FY 2011	FY 2012	FY 2013
<u>Actuals</u>	<u>Estimate</u>	<u>Estimate</u>
100%	100%	100%

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<u>V. Personnel Summary</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>Change FY 2011/ FY 2012</u>	<u>Change FY 2012/ FY 2013</u>
<u>Active Military End Strength (E/S) (Total)</u>	<u>11</u>	<u>9</u>	<u>9</u>	<u>-2</u>	<u>0</u>
Officer	9	9	9	0	0
Enlisted	2	0	0	-2	0
<u>Reserve Drill Strength (E/S) (Total)</u>	<u>27</u>	<u>27</u>	<u>27</u>	<u>0</u>	<u>0</u>
Officer	20	20	20	0	0
Enlisted	7	7	7	0	0
<u>Civilian End Strength (Total)</u>	<u>136</u>	<u>131</u>	<u>131</u>	<u>-5</u>	<u>0</u>
U.S. Direct Hire	136	131	131	-5	0
Total Direct Hire	136	131	131	-5	0
Memo: Reimbursable Civilians Included	38	10	10	-28	0
<u>Active Military Average Strength (A/S) (Total)</u>	<u>11</u>	<u>9</u>	<u>9</u>	<u>-2</u>	<u>0</u>
Officer	9	9	9	0	0
Enlisted	2	0	0	-2	0
<u>Reserve Drill Strength (A/S) (Total)</u>	<u>27</u>	<u>27</u>	<u>27</u>	<u>0</u>	<u>0</u>
Officer	20	20	20	0	0
Enlisted	7	7	7	0	0
<u>Civilian FTEs (Total)</u>	<u>136</u>	<u>131</u>	<u>131</u>	<u>-5</u>	<u>0</u>
U.S. Direct Hire	136	131	131	-5	0
Total Direct Hire	136	131	131	-5	0
Memo: Reimbursable Civilians Included	38	10	10	-28	0
Average Annual Civilian Salary (\$ in thousands)	171.0	179.0	187.0	8.0	8.0
<u>Contractor FTEs (Total)</u>	<u>52</u>	<u>38</u>	<u>38</u>	<u>-14</u>	<u>0</u>

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Average Annual Civilian Salary: The changes from FY 2011 to FY 2012 DTSA was directed by Secretary of the Defense Efficiency Initiatives to transfer the Committee on Foreign Investment in the United States (CFIUS) program and three full time equivalents to the Office of the Under Secretary of Defense, Acquisition, Technology and Logistics to better align with its Industrial policy mission and one time BRAC leave pay-out. Changes from FY 2012 to FY 2013 include the program and price growth. The program growth reflects one extra compensable day between FY 2012 to FY 2013, DTSA personnel travel overseas to hazard zone areas where DTSA incurs additional cost such as danger pay, holiday pay, travel compensation time, Sunday premium and other related cost.

Changes from FY 2011 to FY 2012: SECDEF Efficiency Initiatives: DTSA was directed to take reduction in the following areas: (1) Service Contract Support - In FY 2011 reduced service support contracts by 10 percent per year over next 3 years to FY 2010 level and information technology support contractors resulting in fourteen (14) fewer contractors. (2) Civilian Full Time Equivalent (FTEs) - FY 2012 reflects reduction of five (5) FTEs. (3) Eliminate twenty-eight (28) civilian reimbursable billets - Reflects elimination of 28 reimbursable billet beginning in FY 2012.

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

<u>OP 32 Line</u>	FY 2011 <u>Actuals</u>	Change FY 2011/FY 2012		FY 2012 <u>Estimate</u>	Change FY 2012/FY 2013		FY 2013 <u>Estimate</u>
		<u>Price</u>	<u>Program</u>		<u>Price</u>	<u>Program</u>	
101 Exec, Gen'l & Spec Scheds	23,284	0	121	23,405	84	1,058	24,547
199 Total Civ Compensation	23,284	0	121	23,405	84	1,058	24,547
308 Travel of Persons	741	13	-127	627	11	-38	600
399 Total Travel	741	13	-127	627	11	-38	600
673 Def Fin & Accounting Svc	231	-41	24	214	35	-8	241
699 Total DWCF Purchases	231	-41	24	214	35	-8	241
912 GSA Leases (SLUC)	1,689	30	480	2,199	37	-27	2,209
914 Purch Com (non fund)	614	11	-408	217	4	-96	125
917 Postal Svc (USPS)	1	0	0	1	0	-1	0
920 Supplies/Matl (non fund)	371	7	-42	336	6	-135	207
921 Print & Reproduction	1	0	0	1	0	-1	0
922 Eqt Maint Contract	8	0	13	21	0	-5	16
932 Mgt Prof Support Svcs	127	2	30	159	3	-31	131
960 Interest and Dividends	1	0	0	1	0	0	1
987 Other IntraGovt Purch	1,077	19	-726	370	6	286	662
989 Other Services	8,417	152	-2,341	6,228	106	246	6,580
999 Total Other Purchases	12,306	221	-2,994	9,533	162	236	9,931
Total	36,562	193	-2,976	33,779	292	1,248	35,319