

Fiscal Year 2016 Budget Estimates
Defense Technology Security Administration (DTSA)



February 2015

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**Defense Technology Security Administration
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2016 Budget Estimates**

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

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

	FY 2014 <u>Actual</u>	Price <u>Change</u>	Program <u>Change</u>	FY 2015 <u>Enacted</u>	Price <u>Change</u>	Program <u>Change</u>	FY 2016 <u>Estimate</u>
DTSA	32,670	409	-398	32,681	464	432	33,577

I. Description of Operations Financed: The Defense Technology Security Administration (DTSA) mission is to identify and mitigate national security risks associated with the international transfer of advanced technology and critical information in order to maintain the U.S. warfighter's technological edge and support U.S. national security objectives.

DTSA's core functions are:

- Licensing
- International Information Security
- International Engagement
- Space Monitoring
- Export Control Reform
- Technology Security and Foreign Disclosure

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I. Description of Operations Financed (cont.)

To perform these core functions, the DTSA staff works closely with interagency departments and Office of the Under Secretary of Defense (Policy) (OUSD(P)) regional offices in order to provide unique technology security expertise to ensure that overarching political and military relationships between the U.S. and its partners and allies remain strong.

DTSA's relationships with numerous other functional offices within OUSD (P) (e.g., Countering Weapons of Mass Destruction, Space Policy, Missile Defense Policy, and Cyber Policy offices) as well as offices throughout the DoD military services have made the DTSA a constant and well-respected partner in national security affairs.

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

Executive Operations:

FY 2014	FY 2015	FY 2016
<u>Actuals</u>	<u>Estimate</u>	<u>Estimate</u>
1,640	1,713	1,882

The DTSA Director shall administer, consistent with U.S. policy, national security objectives, and Federal laws and regulations, the following:

- The development and implementation of DoD technology security policies on international transfers of defense-related goods, services, and technologies to ensure critical U.S. military technological advantages;

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I. Description of Operations Financed (cont.)

- The mitigation and control of transfers that may be detrimental to U.S. security interests seeking to prevent the proliferation of weapons of mass destruction and their means of delivery; and
- The implementation of processes necessary in assuring the health of the defense industrial base.

In December 2010, the Deputy Secretary of Defense directed the establishment of the Technology Security and Foreign Disclosure Office (TSFDO) to harmonize, streamline and prioritize technology security and foreign disclosure reviews for U.S. technology release requests. This function falls under the Executive Directorate (ED). In accordance with this decision, the DTSA is hosting, managing, and supporting the TSFDO to include providing partial manning, office space, security and logistical support. The TSFDO began its mission on February 2011, and achieved full operating capability and manning in late 2011. In order to accomplish its mission, the TSFDO consults with, and provides guidance to the DoD Technology Security and Foreign Disclosure (TSFD) authorities; implements improved manual and automated procedures; coordinates and directs applicable actions; conducts screening and triage for prioritized transfer requests; develops consolidated policy documents; frames issues for senior-level adjudication, appeal and decision; coordinates analyses for prioritized TSFD issues; and conducts TSFD policy and process outreach across the TSFD community.

Policy Directorate:

FY 2014	FY 2015	FY 2016
<u>Actuals</u>	<u>Estimate</u>	<u>Estimate</u>
5,091	5,095	5,182

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I. Description of Operations Financed (cont.)

The Policy Directorate (PD) ensures that technology security policies and practices implement U.S. national security and foreign policy imperatives. The PD does so by engaging stakeholders within the DoD and across the U.S. Government to ensure that export control and technology security policy implementation is an integral part of the national security landscape and fully consistent with U.S. defense and foreign policy. The PD leads the Department's negotiation efforts on numerous conventional arms transparency and export control efforts. The PD is also responsible for establishing, leading and maintaining important bilateral relationships to influence the technology security decision-making of allies, friends, and partners. In this vein, the PD leads Departmental efforts in technology, which in turn impacts potential game-changing operational and national security developments. The PD maintains close contact with the intelligence community to improve USG awareness of hostile countries' technology acquisition efforts and to gauge the effectiveness of U.S. technology security and export controls. Examples of these activities are:

- **Bilateral Discussion and Negotiations** - The development of individually tailored programs to ensure that allies and partners who receive cutting-edge U.S. technology have the capacity, capabilities, and infrastructure to protect it. Such programs can require intensive negotiation, instruction, and consultation. The PD conducts liaison with partners who have acquired U.S. technology, thus building relationships and emphasizing the importance of proper protection of defense technology. The PD's functions increases the DTSA's partner's understanding of technology security requirements as well as their willingness to properly protect the acquired technology.

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I. Description of Operations Financed (cont.)

- Policy Development/Implementation - Development of policies, practices, and procedures to protect critical U.S. technology in support of broader U.S. and Departmental strategies. The President and the Secretary of Defense, place a renewed emphasis on sharing the international defense burden with allies and coalition partners. There is a continuing and evolving need to ensure that technology security policies support this guidance as related to the guidance for Global Employment of the Force (GEF).

- The Wassenaar Arrangement (WA) - The DTSA leads the Department in the development and implementation of policy positions relating to the WA, a 41-member multilateral security organization that utilizes export controls to promote regional and global stability. Representatives from the PD and other DOD offices send representatives to articulate and defend the DoD's positions and preserve the Department's equities by promoting technology security and greater responsibility in transfers of conventional arms and dual-use goods and technologies, thus preventing destabilizing accumulations. The WA is a critical component of the U.S. nonproliferation and export control strategy. The WA is the primary mechanism for the U.S. to impose export control requirements on emerging technologies. DTSA is an essential and active U.S. player in promoting the goals of the Wassenaar Arrangement and encouraging other countries to support the organization's international security goals and objectives.

- Export Control Reform (ECR) - The PD is the lead for development of the DoD's ECR efforts as part of the Administration's ECR initiative. The PD ensures that revised policies, potential new legislation, and new controls are consistent with the Secretary of Defense's ECR objectives of protecting critical military and intelligence-related technology while simultaneously facilitating exports to Allies and close partners.

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I. Description of Operations Financed (cont.)

- Trade Security Controls (TSC) Program - The TSC program's objective is to prevent illegal acquisition or other unauthorized transfers of U.S. technologies 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 PD maintains the policy guidance to review policies, monitor implementation, and address and resolve issues raised by DoD components.

- Sanctions on Foreign Governments and Entities - The PD is the DoD lead for coordinating potential U.S. sanctions on foreign governments or entities, specifically focusing on the 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, the Department's 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/PD serves as the OUSD(P) primary agency for evaluating the potential effects on the sale of military goods, equipment, or technology to countries or individuals of concern. The DTSA must consider the potential effects of CFIUS transactions on U.S. technological leadership in areas affecting U.S. national security and critical infrastructure, and whether the acquirer is controlled by, or acting on behalf of, a foreign government.

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I. Description of Operations Financed (cont.)

- United Nations Register of Conventional Arms - The PD 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 (ATT) - The PD leads the Department for all ATT issues, including the treaty's article-by-article analysis that would be part of an Advice and Consent package sent to the Senate for consideration.

- The PD is the lead for the agency's congressionally-mandated DoD patent secrecy review process. PD, as the DoD program manager, chairs a DoD working group to coordinate DoD-wide patent security issues; executes Defense Patent Application Review System (DPRS) requirements in order to maintain timely distribution and review of patent applications for national security concerns.

- The PD provides critical national security assessments on dual-use and munitions license end-users in accordance with U.S interagency regulated timelines. The PD serves as the DoD and interagency repository of classified information on end-users used by decision makers as part of high-level USG export decisions.

- The PD provides DoD customers with strategic analysis of technology transfer trends and developments in order to better inform policy makers and influence future decisions on the potential export of advanced technologies. Studies include analysis of country-specific import trends; and effectiveness of U.S. and international technology controls and policies.

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I. Description of Operations Financed (cont.)

- Other duties - The PD represents Combatant Commanders, Military Services, and the Joint Staff technology security positions in bilateral and multilateral forums, where the Joint Staff is not separately represented. This function ensures that U.S. national security concerns are properly articulated and integrated into international technology security efforts. The PD also drafts specific control or technology security policies for specific technologies and commodities.

Technology Directorate:	FY 2014	FY 2015	FY 2016
	<u>Actuals</u>	<u>Estimate</u>	<u>Estimate</u>
	7,219	7,276	7,532

The Technology Directorate (TD) is the DTSA's primary source of advice on technical matters pertaining to international transfers of defense-related commodities and technologies. The TD's essential role in executing DTSA's mission is defining the point at which a technology is critical from a national security perspective; reviewing international transfers of military technology, defense articles, and dual-use items in a manner consistent with DoD technology security objectives; and recommending viable technical solutions that both protect the U.S. war fighting edge and mitigate risks when national security goals make transfer and imperative or the preferred option. The TD staff applies relevant engineering/scientific knowledge and defense related expertise to technology security policies and informs technology transfer decisions that protect critical technologies and mitigate the risk of diversion or proliferation.

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I. Description of Operations Financed (cont.)

- During FY 2014, the TD provided technical evaluations and recommendations for international transfers of defense-related commodities and technologies as follows:
 - o 16,644 export license applications
 - o 1,144 public release security reviews
 - o 109 Committee on Foreign Investment in the U.S. filings
 - o 82 Exception to National Disclosure Policy requests
 - o 111 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 as well as considering the health of the U.S. defense industrial base, in order to maintain the balance between national security concerns and appropriate business opportunities.

- To ensure that DoD technology security interests are effectively implemented within the international framework of multilateral control regimes, the TD established and maintains a technical negotiating strategy that advances DOD technology security goals, ensures the scientific and technical quality of DoD proposals submitted by the USG for international consideration, critiques proposals from other control regime member countries, and prepares technically robust arguments to negotiate with both USG interagency and international technical experts.

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I. Description of Operations Financed (cont.)

- The TD 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.

- The TD 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.

Licensing Directorate:

FY 2014	FY 2015	FY 2016
<u>Actuals</u>	<u>Estimate</u>	<u>Estimate</u>
5,302	5,323	5,738

The Licensing Directorate (LD) is the DoD entry and exit point for all DoD actions related to the USG's licensing of export controlled goods, technology and services via direct commercial sales. The LD is the DoD's principle source of advice on licensing and regulatory issues pertaining to international transfers of defense-related commodities and technologies. The LD mission is to identify and highlight national security concerns related to exports of controlled technology and articulate the Department's decisions to address these concerns via license outcomes. The directorate's critical role is identifying and accounting for the preservation of U.S. Military technological advantages, interoperability with allies and partners, and the impact of technology transfers on the U.S. defense industrial base.

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I. Description of Operations Financed (cont.)

- The LD coordinates, develops and adjudicates the DoD position on export licenses, Commodity Jurisdictions (CJ) determinations, export violation and pre-trial disclosures, export rules and regulations received from the Departments of Commerce (DoC) and Department of State (DoS). The LD represents the Department at interagency and multinational forums, with regard to export control regimes, export control planning, drafting export control regulations and licensing policy, and export control enforcement issues. As a result of these meetings, the directorate provides a vital national security review of proposed regulatory changes to the International Traffic in Arms Regulations (ITAR) and the Export Administration Regulations (EAR).

- 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 Export Control system. The LD is the DoD lead for ECR regulatory review of current ITAR and EAR control language. This systematic review, based on the impact the reform would have on U.S. national security, will analyze the current export control requirements and identify the appropriate items, articles, services, and technology that require license authorization from the USG. The directorate anticipates that upon full implementation of proposed export reform changes, the long term result will be an increase in efficiency in LD. Under the current licensing, system, DoD export license review requirements are anticipated to grow 2 to 3 percent per year in the near future or until such time U.S. industry fully avails itself of streamlined export provisions implemented as a result of ongoing reform efforts.

- The LD's two divisions analyze DoS ITAR Munitions export licenses and DoC EAR Dual-Use export licenses.

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I. Description of Operations Financed (cont.)

- Munitions - The Munitions Division reviewed and adjudicated 34,162 munitions export license applications, commodity jurisdiction determination requests, and export violation reviews received from the DoS in FY 2014. This represents a 12.9% decrease in the number of cases from previous years. This decrease is due to the regulatory shift of defense articles and export control requirements from the DoS United States Munitions List (USML) to the DoC Commerce Control List (CCL). The current fiscal year decrease of 5,076 in munitions licenses from DoS was offset by a comparable increase in Dual-Use licenses from the DoC. The DTSA assists the DoS in the designation of articles and services deemed to be defense articles and defense services. Items so designated constitute the United States Munitions List (USML). Such designations are made by DoS with the concurrence of the DoD. Additionally, the DTSA supports DoS export compliance officials, DHS and FBI law enforcement officials, as well as DOJ Assistant U.S. Attorneys by identifying the harm to national security 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 USML, as well as by National Security Presidential Directive (NSPD) 56. As the final arbitrator of the DoD positions, DTSA role in this process is absolutely critical to maintain U.S. national security interests and DoD technology security policies. DoD export license recommendations developed by DTSA/LD protect the national security interest of vital DoD major weapon systems and defense programs (e.g., Joint Strike Fighter and Missile Defense).

- Dual-Use - The Dual-Use Division reviewed and adjudicated 25,685 dual-use export license requests received from the DoC in FY 2014, representing a 23% increase in the number of cases from the previous fiscal year. Beginning in October 2013, certain munitions articles and technologies previously controlled on the USML

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I. Description of Operations Financed (cont.)

under the ITAR began transitioning formally to the CCL under the EAR under newly published State and Commerce export control regulations. The rule changes resulted in an increase of approximately 4,824 DoC dual-use license applications above what the Dual-Use Division adjudicated this time last year. Early estimates associated with further implementation of ECR could lead to at least a 50 percent increase in dual use export license reviews through FY 2015, which is when the administration projects completion of re-writing all ITAR USML categories and publishing final rules announcing new items added to the EAR CCL (e.g., 500- and 600-series items). Should U.S. industry and foreign exporters decide to file more license applications vice using provisions in the regulations intended to curtail submissions, the number of license application received from the Department of Commerce could grow substantially. If this happens, DTSA may not be in a position to fulfill the requirement to meet the 30-day review mandated by E.O. 12981.

- Fully coordinated and final DoD recommended license decisions, referred back to the DoC must be staffed, reviewed, analyzed and adjudicated within a mandated 30 day timeline by Executive Order (EO) 12981. The review process is governed by the Export Administration Act (EAA) and 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 Directorate:	FY 2014	FY 2015	FY 2016
	<u>Actuals</u>	<u>Estimate</u>	<u>Estimate</u>
	1,605	1,795	1,863

The International Security Directorate (ISD) is responsible for the U.S. national policy (National Disclosure Policy (NDP-1)) governing the disclosure of classified military information and material to foreign governments and international organizations; the operation and administration of the National Disclosure Policy Committee (NDPC) that develops policy and considers requests for Exceptions to National Disclosure Policy (ENDP); the development and promulgation of security policies, procedures, and standards necessary for effective implementation of NDP-1 throughout the Department of Defense (DoD); DoD liaison with foreign governments on information security matters; security policies and arrangements for government and commercial international programs; development and negotiation of security arrangements with allied and other friendly governments; the preparation of U.S. proposals and developing action plans for U.S. implementation of the North Atlantic Treaty Organization's (NATO) security regulations; the development of U.S. positions of NATO Security Agreements with Partnership for Peace countries; and for the review and oversight of DoD international security training courses.

Objectives and Metrics:

1. Operate and provide administrative support the NDPC.

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I. Description of Operations Financed (cont.)

- a. Staff all exceptions to the NDP-1 within one business day of receipt.
 - b. Issue a Record of Action that records NDPC decisions relating to ENDP request within five business days of completion of voting by all the members.
2. Develop and maintain, as appropriate, currency of General Security Agreements (GSA) and Industrial Security Arrangements (ISA) with allied and friendly foreign governments.
- a. When necessary to negotiate and conclude General Security Agreements, seek State Department Circular 175 authority within 60-days of completion of a favorable NDPC security assessment.
 - b. When a determination is made that there is a need for an Industrial Security Agreement, initiate negotiations within 60 days.
3. Conduct and maintain currency of on-site assessments of foreign government security programs.
- a. Prepare and send notification letters to U.S. Embassy within 60 days of the NDPC issuance of its security assessment schedule for each fiscal year.
 - b. Submit completed NDPC security assessments to the NDPC within 60 days of assessment completion.

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I. Description of Operations Financed (cont.)

4. Ensure that security arrangements are included in all international cooperative programs.
 - a. Review and provide responses to all requests for authority to negotiate/conclude international cooperative program memoranda of understanding and intelligence exchange agreements within five business days.
 - b. Provide approval/disapproval within 30 days after receipt of all coordination on program security instructions submitted by DoD components.
 - c. Review and provide responses to all 36(b) notifications to Congress within three business days of receipt.

5. Ensure implementation of NATO security requirements within the Executive Branch.
 - a. Review annually the U.S. Security Authority for NATO Affairs Instruction, and hold quarterly meetings with the U.S. Central Registry.

6. Establish and maintain security and foreign disclosure training programs for U.S. personnel involved in international cooperative programs.
 - a. Develop and implement a DoD foreign disclosure and security training course prior to FY 2016.

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I. Description of Operations Financed (cont.)

- b. Conduct semi-annual programmatic reviews of DoD foreign disclosure and international security training curricula and course contents.
7. Establish and maintain the International Visits Program, and approve and administer an effective foreign personnel exchange and liaison officer program within DoD components to build partner capacity.
- a. Review and staff requests submitted by a DoD component within five business days to negotiate and conclude international agreements for the assignment of foreign personnel.
 - b. Prepare, coordinate, and submit a report to Congress on non-reciprocal international defense personnel exchange agreements within 90 days of the end of each fiscal year.

Space Directorate:

	FY 2014	FY 2015	FY 2016
	<u>Actuals</u>	<u>Estimate</u>	<u>Estimate</u>
Non-Reimbursable	321	326	332
Reimbursable	2,800	2,500	2,500

The Space Directorate (SD) is responsible for providing non-reimbursable and reimbursable monitoring services to industry in accordance with State Department licenses and the International Traffic in Arms Regulation (ITAR). The SD monitoring consists of the

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I. Description of Operations Financed (cont.)

review and approval prior to release of technical data to foreign parties and the monitoring of technical assistance and defense services between U.S. and foreign persons at technical meetings and launch campaigns. As defined by Public Law 105-261, certain space monitoring activities conducted by the SD require mandatory reimbursement for all technical data reviews and defense service associated with the launching of U.S. commercial satellites aboard foreign non-NATO or non-major ally launch vehicles. For programs that present sufficient risk of inadvertent technology transfer such that monitoring is merited, the SD conducts non-reimbursable monitoring services in accordance with the ITAR and State Department licenses. Non-reimbursable activities are supported by funding of 1 FTE. This monitoring is allowed under ITAR, but DoD bears the full cost for this monitoring.

Management Directorate:	FY 2014	FY 2015	FY 2016
	<u>Actuals</u>	<u>Estimate</u>	<u>Estimate</u>
	7,152	6,994	7,093

The Management Directorate (MD) plans, directs and implements services in the areas of financial planning and management, contract management, human capital management, technology integration, security and general administrative support to ensure DTSA's

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I. Description of Operations Financed (cont.)

mission accomplishment. Execution of these activities ensures DTSA fulfills its technology and information security mission and meets its strategic goals.

The MD responsibilities include programming and budgeting; financial execution; Defense Travel System (DTS) utilization; acquisition and contract administration; oversight of personnel and manpower (military and civilian); information technology operations and mission systems; personnel security; cyber security; facilities management; property accountability; internal management control programs; and strategic planning.

Security Policy Automation Network (SPAN)	<u>FY 2014</u> <u>Actuals</u>	<u>FY 2015</u> <u>Estimate</u>	<u>FY 2016</u> <u>Estimate</u>
	5,430	4,159	3,955

The SPAN is a group of systems and applications which provide automated systems to perform many government-wide technology security actions. The primary SPAN systems operated and maintained by DTSA include the following:

- USXPORTS - Provides case management and workflow tracking for munitions and dual-use license applications received from The Departments of State and Commerce, and reviewed by the Departments of Defense, Homeland Security, the Treasury and Energy. Currently under development as the USG single IT solution for export license processing.
- Spacelink - Provides a functional IT application to support statutory Space Monitoring mission. The system provides a web-based, collaborative environment for

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DoD and Industry to share and review documentation associated with a foreign launch of U.S. technology.

- Foreign Visits System - The system is a multi-application infrastructure used to request, approve, and confirm visits by foreign nationals to DoD facilities and organizations within CONUS.
- Foreign Disclosure System - Provides an infrastructure to track approved 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.
- 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 (DPARS) - 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.

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In response to the President's Initiative for Export Control Reform, USXPORTS was selected as the IT platform that offers greatest capability to integrate the responsible licensing agencies into a single interagency electronic export licensing system. Efforts to modernize and unify interagency automation have progressed with the Departments of State and Commerce. USXPORTS is undergoing additional enhancements to support DoS and DoC export licensing adjudication processes.

II. Force Structure Summary:

Not Applicable.

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III. Financial Summary (\$ in thousands)

	FY 2015						
	FY 2014	Budget	Congressional Action			Current	FY 2016
			<u>Actual</u>	<u>Request</u>	<u>Amount</u>		
A. BA Subactivities							
Defense Technology Security Agency	32,670	32,787	-106	-0.3	32,681	32,681	33,577
Total	32,670	32,787	-106	-0.3	32,681	32,681	33,577

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B. <u>Reconciliation Summary</u>	Change	Change
	<u>FY 2015/FY 2015</u>	<u>FY 2015/FY 2016</u>
Baseline Funding	32,787	32,681
Congressional Adjustments (Distributed)		
Congressional Adjustments (Undistributed)	-95	
Adjustments to Meet Congressional Intent		
Congressional Adjustments (General Provisions)	-11	
Subtotal Appropriated Amount	32,681	
Fact-of-Life Changes (2015 to 2015 Only)		
Subtotal Baseline Funding	32,681	
Supplemental		
Reprogrammings		
Price Changes		464
Functional Transfers		
Program Changes		432
Current Estimate	32,681	33,577
Less: Wartime Supplemental		
Normalized Current Estimate	32,681	

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	Amount	Totals
C. Reconciliation of Increases and Decreases		
FY 2015 President's Budget Request (Amended, if applicable)		32,787
1. Congressional Adjustments		-106
a. Distributed Adjustments		
b. Undistributed Adjustments		
1) Reduction in Non-Cyber IT Programs	-95	
c. Adjustments to Meet Congressional Intent		
d. General Provisions		
1) Section 8035 - Indian Lands	-11	
FY 2015 Appropriated Amount		32,681
2. War-Related and Disaster Supplemental Appropriations		
3. Fact-of-Life Changes		
FY 2015 Baseline Funding		32,681
4. Reprogrammings (Requiring 1415 Actions)		
Revised FY 2015 Estimate		32,681
5. Less: Item 2, War-Related and Disaster Supplemental Appropriations and Item 4, Reprogrammings		
FY 2015 Normalized Current Estimate		32,681
6. Price Change		464
7. Functional Transfers		
8. Program Increases		1,353
a. Annualization of New FY 2015 Program		
b. One-Time FY 2016 Increases		
1) Compensable Day Adjustment	90	
This pays for an extra compensable day. (FY 2015 Baseline: \$0 thousand)		
c. Program Growth in FY 2016		
1) Civilian Compensation	736	
Increase reflects adjustments to civilian compensation to properly align with authorized		

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C. Reconciliation of Increases and Decreases	Amount	Totals
manning level. (FY 2015 Baseline: \$22,509 thousand; +129 FTEs)		
2) Purchased communication Increase reflects the Internet Security Stack for the users in NCR area. (FY 2015 Baseline: \$149 thousand)	322	
3) Rent (Non-GSA) Increase reflects price growth due to rate change in square footage at the Mark Center based on Washington Headquarters Service's analysis. (FY 2015 Baseline: \$2,587 thousand)	84	
4) Supplies and Materials Increase reflects more training requirements for DTSA personnel to participate training to maintain certification requirements. Additionally, a new requirement for financial management personnel is being implemented to obtain certification in their career field within 2 years.	70	
5) Travel of Persons Increase reflects more critical government functions as national security, international diplomacy, and/or site visits required for oversight or investigatory purposes. (FY 2015 Baseline: \$610 thousand)	50	
6) Management Professional Support Services Increase reflects program and price adjustments to the existing contract. (FY 2015 Baseline: \$320 thousand)	1	
9. Program Decreases		-921
a. Annualization of FY 2015 Program Decreases		
b. One-Time FY 2015 Increases		

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III. Financial Summary (\$ in thousands)

C. Reconciliation of Increases and Decreases	Amount	Totals
c. Program Decreases in FY 2016		
1) Information Technology Contract Support Services The reduction reflects pricing structure for the Information Technology support contract.	-670	
2) Other Intra-Government Purchase Decrease reflects reduction on other Intra- governmental purchases. (FY 2015 Baseline: \$543 thousand)	-241	
3) DFAS Financial Operation Reduction reflects reduced in the amount of commercial payments.	-9	
4) Other Services Decrease reflects reduction on service contracts. (FY 2015 Baseline: \$1,507 thousand; +0 FTEs)	-1	
FY 2016 Budget Request		33,577

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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 processes 140,000 actions annually, such actions actually counted represent 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 2015 and FY 2016, 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 2014	FY 2015	FY 2016
<u>Actuals</u>	<u>Estimate</u>	<u>Estimate</u>
100%	100%	100%

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V. <u>Personnel Summary</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>FY 2016</u>	Change FY 2014/ FY 2015	Change FY 2015/ FY 2016
<u>Active Military End Strength (E/S) (Total)</u>	<u>9</u>	<u>9</u>	<u>9</u>	<u>0</u>	<u>0</u>
Officer	9	9	9	0	0
<u>Reserve Drill Strength (E/S) (Total)</u>	<u>27</u>	<u>21</u>	<u>21</u>	<u>-6</u>	<u>0</u>
Officer	20	15	15	-5	0
Enlisted	7	6	6	-1	0
<u>Civilian End Strength (Total)</u>	<u>131</u>	<u>129</u>	<u>129</u>	<u>-2</u>	<u>0</u>
U.S. Direct Hire	131	129	129	-2	0
Total Direct Hire	131	129	129	-2	0
Memo: Reimbursable Civilians Included	7	7	7	0	0
<u>Civilian FTEs (Total)</u>	<u>131</u>	<u>129</u>	<u>129</u>	<u>-2</u>	<u>0</u>
U.S. Direct Hire	131	129	129	-2	0
Total Direct Hire	131	129	129	-2	0
Average Annual Civilian Salary (\$ in thousands)	171.4	174.5	183.0	3.1	8.5
 <u>Contractor FTEs (Total)</u>	 <u>23</u>	 <u>23</u>	 <u>23</u>	 <u>0</u>	 <u>0</u>

Average Annual Civilian Salary: FY 2015 to FY 2016 - The average annual salary increase reflects adjustments to civilian compensation to properly align with authorized manning level as well as incremental adjustments (e.g., overtime and hazard pays) for personnel on temporary-duty assignments.

Contractor FTEs (Total): FY 2015 thru FY 2016: No changes.

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

<u>OP 32 Line</u>	<u>FY 2014</u> <u>Actual</u>	<u>Change</u> <u>FY 2014/FY 2015</u>		<u>FY 2015</u> <u>Enacted</u>	<u>Change</u> <u>FY 2015/FY 2016</u>		<u>FY 2016</u> <u>Estimate</u>
		<u>Price</u>	<u>Program</u>		<u>Price</u>	<u>Program</u>	
101 Exec, Gen'l & Spec Scheds	22,457	225	-173	22,509	276	826	23,611
199 Total Civ Compensation	22,457	225	-173	22,509	276	826	23,611
308 Travel of Persons	524	9	77	610	10	50	670
399 Total Travel	524	9	77	610	10	50	670
696 DFAS Financial Operation (Other Defense Agencies)	350	6	64	420	23	-9	434
699 Total DWCF Purchases	350	6	64	420	23	-9	434
914 Purchased Communications (Non- Fund)	163	3	-17	149	3	322	474
915 Rents (Non-GSA)	2,876	52	-215	2,713	46	84	2,843
917 Postal Services (U.S.P.S)	1	0	0	1	0	0	1
920 Supplies & Materials (Non- Fund)	257	5	44	306	5	70	381
922 Equipment Maintenance By Contract	44	1	-45	0	0	0	0
932 Mgt Prof Support Svcs	135	2	0	137	2	1	140
959 Other Costs (Insurance Claims/Indmnties)	1	0	0	1	0	0	1
960 Other Costs (Interest and Dividends)	0	0	1	1	0	0	1
987 Other Intra-Govt Purch	1,101	20	-255	866	15	-241	640
989 Other Services	431	8	-19	420	7	-1	426
990 IT Contract Support Services	4,330	78	140	4,548	77	-670	3,955
999 Total Other Purchases	9,339	169	-366	9,142	155	-435	8,862
Total	32,670	409	-398	32,681	464	432	33,577