

**Statement of Mark Foulon
Acting Under Secretary of Commerce
For Industry and Security**

before the

**Subcommittee on Commerce, Science, and Related Agencies
United States House of Representatives**

March 20, 2007

Mr. Chairman, Representative Frelinghuysen, Members of the Committee, thank you for this opportunity to discuss President Bush's Fiscal Year 2008 budget request for the Bureau of Industry and Security, known as "BIS."

As the Deputy Under Secretary in BIS, I am the Bureau's senior career official. While the position of Under Secretary is vacant, I am also the Acting Under Secretary. In both roles, I am closely involved in preparing BIS's budget request and monitoring BIS's spending against plan.

Mr. Chairman, BIS's mission is to "advance U.S. national security, foreign policy, and economic objectives by ensuring an effective export control and treaty compliance system and promoting continued U.S. strategic technology leadership." Our national security, foreign policy, and economic mission is closely aligned with the Department of Commerce's Strategic Goals and Objectives.

To accomplish our mission, we have identified three BIS priorities. These priorities guide our policy and spending decisions. They help us determine not just whether we are achieving our objectives, but whether we are achieving the right objectives. These three BIS priorities are:

1. Maintain and strengthen an adaptable and effective U.S. export control and treaty compliance system.
2. Integrate non-U.S. actors to create a more effective global export control and treaty compliance system.
3. Ensure continued U.S. technology leadership in industries that are essential to national security.

To accomplish these priorities, we rely on two managerial "enablers" that cut across all of our substantive work:

E1. Leadership at all levels

E2. Focused management, based on the President's Management Agenda

In recent years, BIS has increased its productivity and successfully advanced its priorities. For example:

- BIS is processing more license applications, and processing them more quickly. Last year, BIS processed nearly 19,000 applications in an average

of 33 days. That represents a 15 percent average annual increase in the number of applications over the past five years; at the same time, the average processing time has dropped by six days.

- BIS is bringing more violators of the dual-use export control and antiboycott regulations to justice. In Fiscal Year 2006, BIS investigations resulted in 33 criminal convictions and over \$3 million in criminal penalties, as well as 104 administrative actions and over \$13 million in administrative fines. These figures are up substantially over previous years.
- Internationally, we have worked to support secure trade with major markets such as China and India , and we have joined with our colleagues in other agencies to engage our partners in the multilateral regimes to adapt those groupings to today's threats.
- In terms of supporting U.S. technology leadership, BIS has a wide range of programs and activities, from conducting studies on industries such as night vision to preparing the annual offsets report to administration of the Defense Priorities and Allocations System in support of American forces in Iraq and Afghanistan .

The BIS Annual Report for Fiscal Year 2006 is appended to this statement and provides greater detail on BIS's activities and accomplishments. This Report is provided pursuant to the annual reporting requirement set forth in Section 14 of the Export Administration Act of 1979 as amended (EAA). It should be noted, however, that the EAA has expired, and that the President has continued the U.S. dual-use export control regime under the authority of the International Emergency Economic Powers Act. EAA renewal, with strengthened law enforcement penalties and provisions, is a Commerce Department priority in the year ahead.

The President's Fiscal Year 2008 budget request for BIS of \$78,776,000 positions the Bureau to build on this record of accomplishment. I am pleased to report that, because of our success in finding efficiencies and tightening our mission focus, the President's request incorporates a savings of \$1.5 million from the FY 2008 base level.

I would like to close by thanking the Committee for its support of BIS over the years. Your generosity has been an essential element in our success. All of the men and women of BIS look forward to continuing our productive relationship with you. Thank you.