

International Trade Administration

The mission of the International Trade Administration (ITA) is to create prosperity by promoting trade and investment, ensuring fair trade and compliance with trade laws and agreements, and strengthening the competitiveness of U.S. industry.

ITA's goals and objectives are accomplished through five program areas:

Manufacturing and Services (MAS) advances the international competitiveness of U.S. industries by leveraging its in-depth sector and analytical expertise in the development of global sector export strategies. MAS provides critical economic and policy analysis and information to strengthen U.S. industry's export performance; ensures appropriate industry and other stakeholder input into trade policy development, negotiations and implementation; and participates in ITA trade policy and negotiation advancement initiatives.

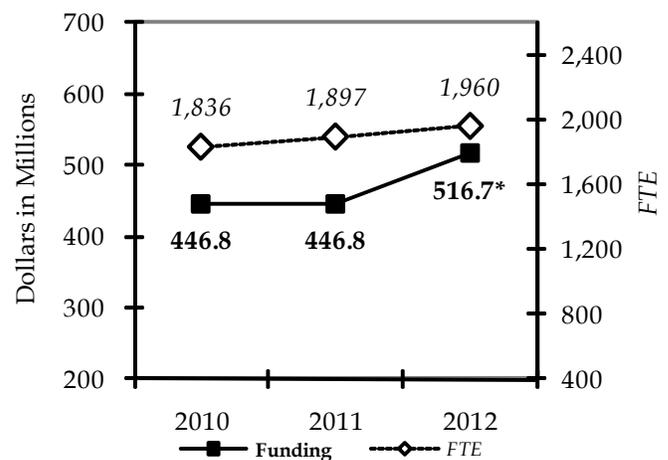
Market Access and Compliance (MAC) concentrates on the development of strategies to overcome market access obstacles faced by U.S. businesses. MAC monitors foreign country compliance with numerous trade-related agreements and identifies compliance problems and other market access obstacles. MAC works with other U.S. Government agencies to rapidly address barriers and helps ensure that U.S. firms know how to use market opening agreements. It provides information on foreign trade and business practices to U.S. firms and works to find opportunities and to develop current and long-term market strategies in traditional and emerging markets, including information needed to conduct trade negotiations to open markets. MAC also continues to provide support for the operation of the established Free Trade Agreement Secretariats (i.e. NAFTA).

Import Administration (IA) helps ensure fair trade by administering the U.S. antidumping (AD) and countervailing duty (CVD) laws in a manner consistent with U.S. international obligations. IA works extensively with U.S. businesses to educate them about U.S. trade laws related to dumping and foreign government subsidies and how to access U.S. government assistance if they are injured by those practices. IA detects, and where appropriate, confronts unfair competition by monitoring economic data from our global competitors and investigates evidence of unfair subsidization and market distortions. IA also administers the Foreign Trade Zones Program and programs involving imports of textiles and apparel.

Trade Promotion and the U.S. & Foreign Commercial Service (US&FCS) broadens and deepens the base of U.S. exports, particularly small and medium-sized firms (SMEs), by conducting trade promotion programs. US&FCS provides U.S. companies with reliable advice on the range of public and private assistance available and knowledgeably supports all other Federal trade promotion services. Specifically, US&FCS assists exporters by providing information, referral and follow-up services through an integrated global field network. US&FCS includes the Trade Promotion Coordinating Committee (TPCC) secretariat. The TPCC, chaired by the Secretary of Commerce, is composed of ITA plus 19 Federal agencies that work together to coordinate and streamline trade promotion and financing services. US&FCS also leads interagency advocacy efforts for major overseas projects, including early involvement in project development and assistance to resolve post-export transaction problems.

Executive Direction and Administration (ExAd) directs policy and planning functions to effectively plan and manage ITA. ExAd delivers administrative services to enable ITA's programs to advance their program goals. These administrative services include information technology support systems, strategic planning, performance management services, human capital planning, financial management, and general administrative assistance.

Budget Authority and FTE



* ITA's full 2012 appropriation is \$526.1 million due to an additional \$9.4 million in offsetting receipts

Summary of Appropriations

Funding Levels

	2010 <u>Actual</u>	2011 CR <u>(Annualized)</u>	2012 <u>Estimate</u>	Increase <u>(Decrease)</u>
Discretionary Appropriation				
Operations and Administration	\$446,765	\$446,765	\$516,652	\$69,887
Total, Discretionary Appropriation	446,765	446,765	516,652	69,887
Mandatory Appropriation				
Grants to Manufacturers of worsted wool fabrics	5,332	5,332	5,332	0
TOTAL BUDGET AUTHORITY	452,097	452,097	521,984	69,887
FTE				
Operations and Administration	1,836	1,897	1,960	63
Reimbursable	30	22	31	9
Total	1,866	1,919	1,991	72

Highlights of Budget Changes

Summary of Requirements

	<u>Detailed</u>		<u>Summary</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
2011 CR (Annualized)			1,897	\$446,765
FY 2011 Fee Collections				9,439
FY 2011 Gross Appropriation			1,897	456,204

Adjustments to Base

Adjustments

Plus: Restoration of Adjustments to Base for 2011 (less Pay Raises) 6,142

Other Changes

2011 Pay raise [for Locally Engaged Staff only]	\$220		
2012 Pay raise [for Locally Engaged Staff only]	941		
Civil Service Retirement System(CSRS)	(184)		
Federal Employees' Retirement System(FERS)	1,087		
Thrift Savings Plan	52		
Federal Insurance Contributions Act (FICA) - OASDI	68		
Health insurance	946		
Employees' Compensation Fund	(7)		
Travel:			
Mileage	(25)		
Domestic per diem	266		
Foreign per diem	164		
Rent payments to GSA	258		
Rental Payments to GSA [Cost of Renovated Space]	1,516		
Electricity	628		
Water	17		
Printing and reproduction	18		
Other services: (Itemized)			
Working Capital Fund (WCF)	1,357		
Commerce Business System (bureau specific)	52		
International Cooperative Admin. Support Services (ICASS)	320		
Non ICASS local guard service	15		
Military pouch	9		
General Pricing Level Adjustment:			
Transportation of things	19		
Rent payments to others	5		
Communications, utilities, and miscellaneous charges	24		
Other Services	590		
Supplies	23		
Equipment	64		
Overseas price increases	261		
Subtotal, other cost changes		0	8,704
TOTAL, ADJUSTMENTS TO BASE		0	14,846

2012 Gross Base

Administrative Savings	(9)	(8,631)
Program Changes	72	63,672
2012 GROSS APPROPRIATION	1,960	526,091
FY 2012 Fee Collections		(9,439)
2012 NET APPROPRIATION	1,960	516,652

Note: The distribution of administrative savings reflected in this table is based on current estimates. As the review and implementation processes proceed, the distribution of these savings may change.

Comparison by Activity

	2011 Currently Avail.		2012 Base		2012 Estimate		Increase / Decrease	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
DIRECT OBLIGATIONS								
Manufacturing and Services	209	\$49,606	209	\$51,011	186	\$48,804	(23)	(\$2,207)
Market Access and Compliance	204	46,739	204	44,584	219	52,477	15	7,893
Import Administration	331	68,670	331	70,556	334	72,335	3	1,779
Trade Promotion and U.S. Foreign Commercial Service	1,041	259,662	1,041	267,552	1,109	313,554	68	46,002
Executive Direction / Administration	112	28,614	112	27,908	112	29,482	0	1,574
TOTAL DIRECT OBLIGATIONS	1,897	453,291	1,897	461,611	1,960	516,652	63	55,041
REIMBURSABLE OBLIGATIONS	22	21,037	22	21,037	31	22,090	9	1,053
TOTAL OBLIGATIONS	1,919	474,328	1,919	482,648	1,991	538,742	72	56,094
FINANCING								
Unobligated balance, start of year (direct)								
Offsetting collections from:								
Federal funds	(17)	(11,598)			(26)	(12,651)		
Non-Federal sources	(5)	(9,439)			(5)	(9,439)		
Subtotal, financing	(22)	(21,037)			(31)	(22,090)		
TOTAL BUDGET AUTHORITY/ APPROPRIATION	1,897	453,291			1,960	516,652		

Note: The distribution of administrative savings reflected in this table is based on current estimates. As the review and implementation processes proceed, the distribution of these savings may change.

Administrative Savings

The Administration is pursuing an aggressive government-wide effort to curb non-essential administrative spending called the Administrative Efficiency Initiative. In order to be good stewards of taxpayer money the Federal Government should continue to seek ways to improve the efficiency of programs without reducing their effectiveness. As such, the President directed each agency to analyze its administrative costs and identify savings where possible. ITA has identified \$10 million in administrative savings through business process reengineering in areas such as acquisition, human capital, IT related items, logistics plans and general administrative support. Within this total is a reduction of \$1.4 million in cost savings identified through the Department's Working Capital Fund and \$8.6 million in other administrative cost savings. The \$10.0 million in administrative savings represents real reductions to ITA's funding level and will help reduce overall spending by the Federal government.

Highlights of Program Changes

	<u>Base</u>		<u>Increase / Decrease</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
<u>National Export Initiative</u>	1,897	\$461,611	+131	+\$78,468

ITA is requesting an increase of 131 FTE and \$78.5 million to support an agency-wide, comprehensive, multi-year export expansion strategy, the National Export Initiative (NEI). The NEI has the potential to make a significant contribution to economic growth in the U.S. and to stimulate domestic job creation. By increasing the number of U.S. firms that export and enabling them to increase their volume of exports, new higher-wage jobs will be created, and U.S. companies will be better able to compete in the expanding global marketplace.

Through the NEI, ITA would:

- Expand the overseas presence (officers and locally engaged staff) of the Commercial Service in high-growth markets such as China, India, and Brazil. This would enhance the global network and allow identification of more export opportunities, counsel exporters more rapidly, and provide commercial diplomacy and advocacy service.

- Increase trade compliance attachés overseas to support U.S. exporters who are experiencing impediments from unfair trade (AD/CVD) cases brought against them and/or to remove government imposed non-tariff barriers such as standards or technical barriers and subsidies, and develop and implement anti-corruption programs. Additional funds would be dedicated to the recruitment of Washington-based specialists to provide the necessary policy guidance and analytical input to overseas staff to optimize advocacy and support for U.S. exporters.
- Increase funding for innovative public-private partnerships to promote exports. Enhance public-private partnerships, including expanded outreach to the States and corporate/strategic partners and provide \$2.0 million for additional Market Development Cooperator Program (MDCP) grants.
- Increase outreach and guidance to SMEs that currently export to one market and are capable of entering more challenging high-growth markets (e.g. China). Launch a new nationwide export education and awareness campaign, a national series of export conferences, and a program of assistance, outreach and education tailored to SMEs, leveraging TPCC Agencies and corporate partners. Expand SME exporters to two or more additional more challenging markets.
- Develop a comprehensive program to identify market opportunities for export-intensive, high-growth industry sectors (e.g. environmental goods and services, renewable energy, health care, bio-tech, etc.) and increase the number and size of various trade event activities to promote these technologies in critical markets, giving U.S. firms more opportunities to make export deals with foreign buyers and distributors.
- Increase the number and size of U.S. government-led trade missions and reverse trade missions to the U.S. focused on critical sectors (e.g., environmental goods, health care, biotechnology, and aviation). Recruit Reverse Trade Missions bringing potential foreign buyers to U.S. companies, focused on 10 sectors (6 manufacturing and 4 services). Increase the number of foreign buyers to U.S. trade shows. This includes hiring Locally Engaged Staff (LES) or contractors to recruit/lead delegations and domestic staff to get the right "matchmaking" clients.
- Increase capacity of the Trade Information Center to handle exporter inquiries. Increase technology and communication infrastructure/tools which includes new sites domestically and internationally (e.g. Client Tracking System, Trusted Internet Connection (TIC), on-line tool kits for SMEs, virtual trade information center, Web 2.0, redesign of Export.gov, Webcasts and Videos).
- Implement an export promotion plan targeted at top services sectors in export value (e.g. travel and tourism industry, construction services, etc.). Identify high-growth foreign markets for these sectors, address market barriers and track successes. Provide a benchmark of state-level services trade data to better understand the importance of services to the U.S. economy.

	<u>Base</u>		<u>Increase / Decrease</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
<u>ITA Organizational Optimization</u>	1,897	\$461,611	-73	-\$20,212

ITA has closely examined its organization to optimize its program structure, both administratively and programmatically, to meet the Administration’s deficit reduction goals while still supporting the NEI more efficiently and effectively and is requesting a decrease of 73 FTE and \$20.2 million. As part of this effort, ITA will focus its resources on high priority posts and industries; eliminate thirteen low-return-on investment foreign posts; eliminate its presence at multilateral development banks, trade associations, and the World Bank; redeploy Foreign Commercial Service Officers to front line NEI posts; optimize the Manufacturing and Services program and take other smaller cost-cutting actions throughout the Agency to meet NEI goals and contribute toward deficit reduction. Within this amount, reductions of 9 FTE and \$8.6 million were taken in administrative reductions consistent with the government-wide Accountable Government Initiative.

<u>Market Access and Compliance</u>	204	\$44,584	+5	+\$2,500
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ITA is requesting an increase of 5 FTE and \$2.5 million to provide direct funding and enhance the Commercial Law Development Program (CLDP). This longstanding and successful program provides technical assistance to developing countries, helps create transparent legal systems and fair regulations that enable those countries to comply with international and bilateral trade obligations, and promotes the rule of law.

<u>Termination of Unrequested Congressional Projects</u>	0	\$5,715	-0	-\$5,715
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ITA proposes to eliminate \$5.2 million in funding for Congressionally designated projects identified in House Report 111-366 and \$0.5 million in separate funding for human rights training included in the accompanying conference report.

Performance Objectives and Measures

(Dollars reflect obligations in Millions)

In FY 2012, in conjunction with its new strategic plan, the Department will complete the reorganization of its performance structure from three strategic goals and a management integration goal to three program themes and three administrative themes. An overview of the Strategic Plan can be found on Page 169. All of ITA's program activities support the theme of Economic Growth and two corresponding goals: Market Development and Commercialization, and Trade Promotion and Compliance. Within these goals, ITA supports three objectives: Provide services to improve the competitiveness of small and medium-sized firms in manufacturing and service industries (Objective 8); increase U.S. export value through an emphasis on trade promotion, market access, compliance, and interagency collaboration (including support for small and medium sized enterprises); (Objective 9); and, vigorously enforce U.S. fair trade laws through impartial investigation of complaints, improved access for U.S. firms and workers, and strengthened efforts to ensure compliance with antidumping/countervailing duty remedies (Objective 12). The following table shows the measures that ITA uses to track its performance. A more detailed description of these outcomes and measures can be found in the ITA section of the Department of Commerce budget.

	FY 2010 Actual	2011 CR (Annualized)/Targets	FY 2012 Estimate / Targets
Objective 8: Provide services to improve the competitiveness of small and medium-sized firms in manufacturing and service industries	\$50.5	\$49.8	\$64.0
Exports generated annually from public-private partnerships	\$86M	\$86M	\$154M
Annual cost savings resulting from the adoption of MAS recommendations contained in MAS studies and analysis	\$647M	\$350M	\$350M
Objective 9: Increase U.S. export value through an emphasis on trade promotion, market access, compliance, and interagency collaboration (including support for small and medium enterprises)	\$329.6	\$325.4	\$370.2
Number of Commercial Diplomacy Success (annual)	112	131	152
Ratio of US&FCS Export Value to US&FCS Costs	N/A	\$130	\$140
Number of clients assisted by U.S.& Foreign Commercial Service	18,784	19,723	20,709
Dollar value of U.S. export content in advocacy cases won	N/A	N/A	\$19B
Number of SME NTM firms / SME firms exporting to two to nine markets (annual)	3.11%	5.00%	Discontinued
Annual number of SMEs US&FCS assists in exporting to a second or additional country	NEW	NEW	3,307
Objective 12: Vigorously enforce U.S. fair trade laws through impartial investigation of complaints, improved access for U.S. firms and workers, and strengthened efforts to ensure compliance with antidumping/ countervailing	\$102.4	\$101.4	\$109.7
Percent of identified unfair trade practices affecting U.S. parties addressed through informal / formal intervention of dispute settlement	27%	20%	30%
Number of new antidumping / countervailing duty petitioners counseled	44	50	50
Percent of industry-specific trade barriers addressed removed or prevented	35%	20%	20%
Percent of industry-specific trade barrier milestones completed	75%	55%	55%
Number of compliance and market access cases initiated	221	210	239
Number of compliance and market access cases resolved successfully	98	80	91
Total Funding	\$482.5	\$476.6	\$543.9