

# **Department of Commerce International Trade Administration**

## **President's Budget Request**

**FY 2008**



INTERNATIONAL  
**T R A D E**  
ADMINISTRATION



**DEPARTMENT OF COMMERCE  
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**EXECUTIVE SUMMARY**

**WHO WE ARE**

“Trade is an engine of economic growth, and I'm looking forward to continuing to work with the new Congress to open up markets for U.S. farmers and manufacturers and service providers, and provide new opportunities for people around the world and help eliminate poverty.” *President George W. Bush at the signing of the Tax Relief and Health Care Act of 2006, December 2006*

Last year, U.S. firms exported almost \$1.3 trillion in goods and services, contributing to U.S. economic growth and supporting millions of jobs. About 12 million Americans depend on exports for their jobs, and one of every five factory jobs in America is related to global trade. Moreover, a great many innovative U.S. companies depend on the fact that 95 percent of the world's consumers live outside the United States. The mission of the International Trade Administration (ITA) is to create prosperity by strengthening the competitiveness of U.S. industry, promoting trade and investment, and ensuring fair trade and compliance with trade laws and agreements which enhances the ability of U.S. firms and workers to compete and win in the global marketplace.

ITA plays a key role in supporting and advancing the Administration's trade agenda – seeking to expand commercial opportunities for U.S. firms at the bilateral, regional and multilateral levels. ITA employees are stationed in over 250 offices domestically and internationally and organized in four program areas to accomplish three overarching long-term goals:

1. Enhance U.S. Competitiveness in the Global Marketplace
2. Broaden and Deepen the U.S. Exporter Base
3. Identify and Resolve Unfair Trade Practices

The ITA Annual Performance Plan included within this Budget provides detail on these goals and their associated resources. These goals and associated performance measures provide America's firms, workers and citizens with an in-depth road map for ITA's FY 2008 plans and a report on it's progress to date.

As of FY 2004, ITA also assesses U.S. industry's domestic competitiveness. Domestic regulations and legislation can create conditions that impede U.S. industry from being internationally competitive. Competing in a global marketplace puts a premium on government getting the economic fundamentals right to create an environment in which the U.S. manufacturing and service sectors can flourish. It means examining whether the U.S. government's actions and the structure of the U.S. market improves or hinders the ability of U.S. firms to compete in an increasingly global marketplace. ITA conducts critical analysis of domestic regulations to identify competitive barriers. Understanding and addressing domestic competitive impediments is essential in today's dynamic global marketplace.

Within this broad mandate, ITA's Under Secretary sets annual priorities to ensure ITA's resources are strategically focused to best meet the needs of U.S. business and support the Administration's trade agenda.

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These annual priorities include:

- A. Supporting the conclusion of the Doha Round and World Trade Organization (WTO) accession negotiations;
- B. Supporting the development and implementation of Free Trade Agreements (FTAs) and other bilateral/regional initiatives;
- C. Strengthening public-private promotion and implementing commercial strategies;
- D. Improving U.S. competitiveness and providing sector analysis and outreach for domestic and trade policy;
- E. Expanding market access and promoting U.S. exports to commercially significant markets;
- F. Ensuring compliance and enforcement of trade agreements; and
- G. Implementing the President's Management Agenda.

ITA's performance goals are aligned with the goals and objectives of the Department of Commerce and coordinated with stakeholders and customers. ITA's goals and performance are explained in detail in the Annual Performance Plan that is included as an exhibit in this budget.

**Resource Request**

For FY 2008, the ITA requests budget authority of \$412.4 million and 2,225 FTE, plus \$13 million in fees. ITA currently collects approximately \$8 million in fees for providing services to customers. These fees are expended on direct costs associated with providing these services. This request would fund core operations and a \$18.4 million increase for the following new programmatic initiatives and base level increases presented below in priority order:

- |    |   |               |
|----|---|---------------|
| 1. | Adjustments to Base                     | \$2.3 million |
| 2. | Free Trade Agreements (FTA) Initiative; | \$1.3 million |

Adjustments To Base (ATB): \$17.1 million

The FY 2008 ATB request includes an adjustment of \$2.3 million over the FY 2007 President's in inflationary adjustments and other cost changes. Funding of ATBs, including those for personnel compensation and other costs, is essential to maintaining ITA's staffing and field operations.

Free Trade Agreements (FTAs) Initiative: \$1.3 million

Between 2001 and 2007, the number of countries that will have signed FTAs with the United States will increase fivefold and make this bloc of countries our third largest trading partner. Building on the President's agenda for expanding trade and creating jobs through his six-point plan for sustaining America's economic recovery (<http://www.whitehouse.gov/news/releases/2003/09/20030904-3.html>), ITA proposes to initiate, support and aggressively monitor FTA compliance, thus enhancing the growth of U.S. businesses. ITA also plans to educate U.S. companies on opportunities provided by negotiated FTAs in order to increase export successes.

**Why We Make This Request**

ITA supports and implements the Administration's trade agenda. Ensuring markets are opened and commercial opportunities are created, especially when unfair market access barriers impede U.S. commercial interests and when U.S. businesses seek assistance and protection in foreign markets and here at home. ITA helps U.S. companies navigate the often complicated and unpredictable environment of foreign trade.

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ITA has a number of programs specifically aimed at assisting small and medium-sized businesses' participation in the global marketplace. Over the past 20 years, international trading has become so complex that small companies find it virtually impossible to participate in the marketplace without assistance. Many of the smallest companies, because of their limited resources and initial export potential, cannot afford assistance from consulting and trade management firms. The largest companies have their own international marketing operations and do not need Federal or State assistance except in the most complex cases. This mission has been endorsed by Congress and the President as a necessary role of government and provides critical support to sustaining the economic growth and prosperity of the nation.

***Our economy is a testament to the power of free trade. The global environment is more competitive than anything we've seen before. This means billions of new customers.–  
Secretary Gutierrez, remarks to the National Association Of Manufacturers March 22,  
2006, Rosemont, Illinois***

ITA offers a variety of products and services to the exporting community to assist them in the worldwide commercial arena, including:

- Trade Information Center (TIC) - provides a single point of customer contact to government export assistance programs;
- Advocacy Center (AC) - supports U.S. companies bidding on major foreign contracts;
- Trade Compliance Center (TCC) - advances trade compliance and market access outreach to ensure compliance with bilateral and multilateral trade agreements including analysis and advancement of critical U.S. trade positions on standards, intellectual property and removal of non-tariff barriers;
- Antidumping (AD) and countervailing duty (CVD) law administration;
- Export.gov – managed by ITA, the Federal website dedicated to helping new-to-export firms get the assistance they need to succeed in world markets. This website includes the new China and Middle East and North African Business Information Centers. Last year, visits to export.gov increased by 27 percent and during the first quarter of FY 2006, over one million people visited the website.

In addition, ITA conducts detailed domestic and international competitive analyses to ensure that both the U.S. manufacturing and service sectors can compete and effectively meet the demands of global supply chains and understand the competitive impact of regulatory and economic factors.

This request supports the Administration's trade agenda by ensuring sufficient funding is available to focus on several significant opportunities and challenges, which constitute our annual priorities. These priorities are addressed in greater detail in the Annual Performance Plan. ITA's priorities are:

- Supporting the conclusion of the Doha Round and World Trade Organization (WTO) accession negotiations
- Supporting the development and implementation of Free Trade Agreements (FTAs) and other bilateral/regional initiatives
- Strengthening public-private promotion and implementing commercial strategies
- Improving U.S. competitiveness and providing sector analysis and outreach for domestic and international trade policy

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- Expanding market access and promoting U.S. exports to commercially significant markets
- Ensuring compliance and enforcement of trade agreements
- Implementing the President's Management Agenda (PMA)

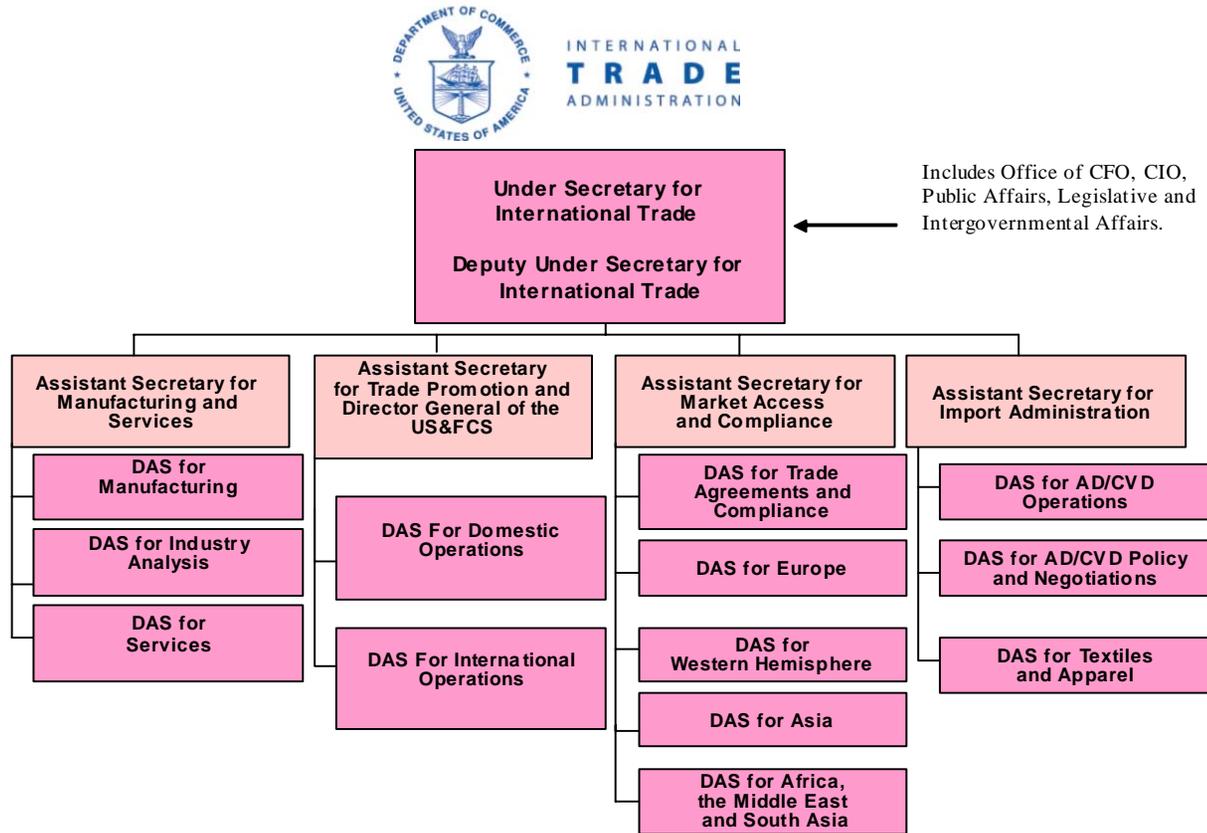
**ITA's Integrated Performance Budget Supports the President's Management Agenda**

ITA recently completed its new strategic plan for FY 2007 – FY 2012. ITA's goals are in keeping with the Department of Commerce's Strategic Plan and support the Department's core mission to create the conditions for economic growth and opportunity by promoting innovation, entrepreneurship, competitiveness and stewardship. The plan contains a series of performance measures developed to assess ITA's progress toward achieving its strategic goals, and, in keeping with GPRA requirements and guidelines for performance-based organizations, these measures serve as the primary mechanism for holding ITA accountable for making progress against its stated objectives.

During the course of FY 2007, ITA intends to cascade its corporate strategy to individual program unit and management organization strategies. This cascade will serve to align and link each program unit to the goals and objectives of the overall organization and will establish a link between the ITA strategy and its commitment to advance the President's Management Agenda. Improved management and administrative performance metrics will be developed that demonstrate results and these measures will be arrayed in future budget submissions.

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**ORGANIZATION STRUCTURE**



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**ITA OVERSEAS OFFICES<sup>1</sup>**

Country	City	Country	City	Country	City
Algeria	Algiers	Cote d'Ivoire	Abidjan	India	Calcutta
Argentina	Buenos Aires	Croatia	Zagreb	India	Chennai
Australia	Melbourne	Czech Republic	Prague	India	Hyderabad
Australia	Sydney	Denmark	Copenhagen	India	Mumbai
Austria	Vienna	Dominican Rep	Santo Domingo	India	New Delhi
Barbados	Bridgetown	Ecuador	Quito	Indonesia	Jakarta
Belgium	Brussels	Egypt	Alexandria	Iraq	Baghdad
Belgium	USEU	Egypt	Cairo	Ireland	Dublin
Brazil	Belo Horizonte	El Salvador	San Salvador	Israel	Jerusalem
Brazil	Brasilia	Finland	Helsinki	Israel	Tel Aviv
Brazil	Porto Allegre	France	Lyon	Italy	Florence
Brazil	Rio de Janeiro	France	Marseilles	Italy	Milan
Brazil	Sao Paulo	France	OECD	Italy	Naples
Bulgaria	Sofia	France	Paris	Italy	Rome
Canada	Calgary	France	Strasbourg	Jamaica	Kingston
Canada	Halifax	France	Toulouse	Japan	Fukuoka
Canada	Montreal	Germany	Berlin	Japan	Nagoya
Canada	Ottawa	Germany	Dusseldorf	Japan	Osaka-Kobe
Canada	Toronto	Germany	Frankfurt	Japan	Sapporo
Canada	Vancouver	Germany	Hamburg	Japan	Tokyo
Chile	Santiago	Germany	Leipzig	Jordan	Amman
China	Beijing	Germany	Munich	Kazakstan	Almaty
China	Chengdu	Ghana	Accra	Kenya	Nairobi
China	Guangzhou	Greece	Athens	Korea	Seoul
China	Shanghai	Guatemala	Guatemala City	Kuwait	Kuwait City
China	Shanghai	Honduras	Tegucigalpa	Lebanon	Beruit
China	Shenyang	Hungary	Budapest	Luxembourg	Luxembourg City
Colombia	Bogota	India	Ahmedabad	Malaysia	Kuala Lumpur
Costa Rica	San Jose	India	Bangalore	Mexico	Guadalajara

<sup>1</sup> Listing does not include all proposed international reprogrammings.

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**ITA OVERSEAS OFFICES<sup>1</sup>**

<b>Country</b>	<b>City</b>	<b>Country</b>	<b>City</b>
Mexico	Mexico City	Saudi Arabia	Riyadh
Mexico	Monterrey	Senegal	Dakar
Mexico	Tijuana	Serbia and Montenegro	Belgrade
Morocco	Casablanca	Singapore	Singapore
Morocco	Rabat	Slovak Republic	Bratislava
Netherlands	Amsterdam	South Africa	Cape Town
Netherlands	The Hague	South Africa	Johannesburg
New Zealand	Auckland	Spain	Barcelona
New Zealand	Wellington	Spain	Madrid
Nigeria	Lagos	Sweden	Stockholm
Norway	Oslo	Switzerland	Bern
Pakistan	Islamabad	Switzerland	Zurich
Pakistan	Karachi	Taiwan	Kaoshiung
Pakistan	Lahore	Taiwan	Taipei
Panama	Panama City	Thailand	Bangkok
Peru	Lima	Trinidad/Tobago	Port of Spain
Philippines	Manila	Tunisia	Tunis
Poland	Warsaw	Turkey	Ankara
Portugal	Lisbon	Turkey	Istanbul
Portugal	Oporto	Turkey	Izmir
Qatar	Doha	UAE	Abu Dhabi
Romania	Bucharest	UAE	Dubai
Russia	Moscow	UK (Ireland, N)	Belfast
Russia	St. Petersburg	Ukraine	Kiev
Russia	Vladivostok	United Kingdom	London
Russia	Yekaterinburg	Uruguay	Montevideo
SAR	Hong Kong	Venezuela	Caracas
Saudi Arabia	Dhahran	Vietnam	Hanoi
Saudi Arabia	Jeddah	Vietnam	Ho Chi Minh City

<sup>1</sup> Listing does not include all proposed international reprogrammings.

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ANNUAL PERFORMANCE PLAN**

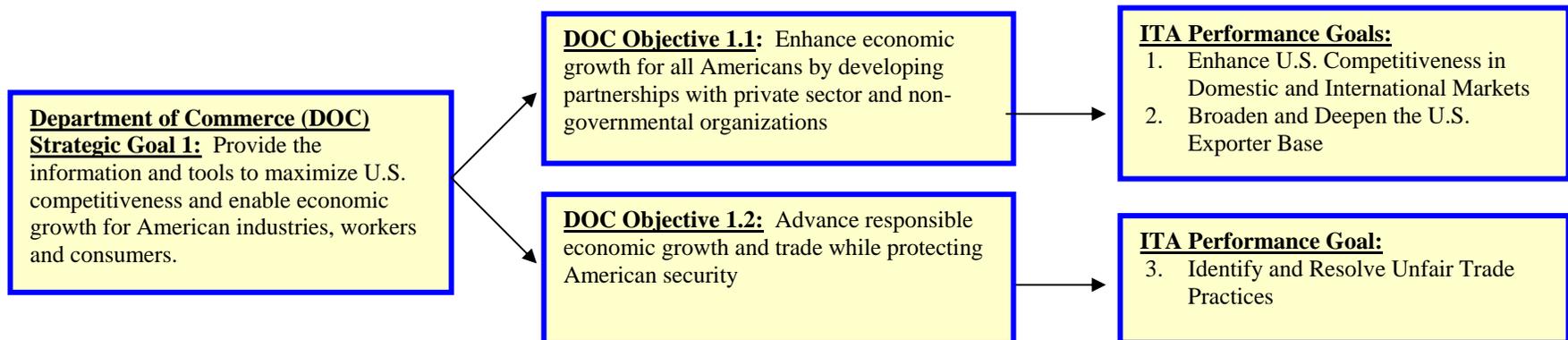
**ITA Vision Statement:** Foster economic growth and prosperity through global trade.

**ITA Mission Statement:** Create prosperity by strengthening the competitiveness of U.S. industry, promoting trade and investment, and ensuring fair trade and compliance with trade laws and agreements.

**One out of every 10 Americans owes his or her job to exports...**

With the advent of the Internet and e-commerce, international trade's importance to world prosperity is growing. The International Trade Administration (ITA) helps U.S. businesses fully participate in the growing global marketplace. ITA provides U.S. companies practical information to help them expand exports to their current markets, and to identify new export markets. ITA advances U.S. industry's competitiveness abroad by researching and analyzing economic factors that impact U.S. businesses in domestic and international markets, and by reducing or eliminating trade barriers. ITA works to ensure access for U.S. firms to international markets mandated by our negotiated trade agreements. ITA safeguards U.S. firms from unfair competition from dumped and subsidized imports.

ITA supports the Department of Commerce's (DOC) mission of creating the conditions for economic growth and opportunity. ITA works with other federal agencies in undertaking trade policy initiatives to provide U.S. companies with market access in foreign countries. ITA's domestic and international staff work with an extensive network of public and private partnerships to open foreign markets and provide export opportunities for U.S. companies. ITA's three performance goals tie directly to the Department's strategic goal and objectives. The relationship is depicted below:



This FY 2008 Annual Performance Plan (APP) reflects ITA's recent shift towards a more customer-focused organization that responds to client concerns and demands. In FY 2006, ITA leadership analyzed its performance and results measurements to determine what the organization plans to achieve during the next six years. In order to

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assess its strategic direction, the organization evaluated its existing business processes, and obtained client feedback to validate demand for ITA services and products. ITA has engaged its employees, oversight authorities and stakeholders in a dialogue to determine how to best prepare its workforce to face the challenges of the dynamic global trading environment.

The President and the Secretary of Commerce assign ITA the responsibility for advancing free trade as a means to create opportunities for U.S. companies. ITA accomplishes this by working closely with our stakeholders in the government as well as leveraging private partners in the business community to achieve our common goals. Government and industry work side-by-side to facilitate passage of free trade agreements, advance U.S. positions in the World Trade Organization, and expand market access and promote U.S. exports in the priority markets such as China and India. ITA's efforts have yielded significant opportunities for U.S. business, and contributed to overall U.S. export growth as demonstrated by the results below:

- **Central America Free Trade Agreement – Dominican Republic (CAFTA-DR)** – This FTA created the second-largest U.S. export market in Latin America and the 10th largest U.S. export market in the world. The U.S. exports more than \$15 billion annually to Central America and the Dominican Republic. The region is a larger U.S. export market than Russia, India and Indonesia combined. Eighty percent of the products Central America exports to the United States already enter the U.S. duty-free.
- **India** - Twenty-five years ago our total bilateral trade was only \$2.8 billion. Total U.S. exports to India in 2005 were \$7.9 billion, an increase of 30 percent over 2004. For the first nine months of 2006 U.S. exports to India grew 24.3 percent compared to the same period last year. With a population of over one billion and an economy with an 8% growth rate, India is increasingly becoming a more attractive location for investment, a platform for technology development and an important export market for American companies.
- **China** – China is already America's fourth largest export market, and one of the fastest-growing markets for U.S. goods and services. Total U.S. exports to China in 2005 were \$41.8 billion, an increase of 20.5 percent over 2004. Through July 2006, U.S. exports have grown 35.7 percent over the same period last year.
- **Overall U.S. Export Growth** - In 2004 (the latest year for which Exporter Data Base figures are available), approximately 232,000 U.S. firms exported goods, more than double the 1992 count of 113,000. Ninety-seven percent of these companies were small or medium-sized enterprises (SMEs), having fewer than 500 employees.



*“In 1947 our real exports were \$74 billion. Today our real exports are over \$1 trillion. From Franklin Roosevelt to George W. Bush, an unbroken line of American presidents have invested their hopes and energy in a free-trading global economy. Free trade is our best hope to raise living standards around the world. Studies have shown that removing world trade barriers would create economic growth equal to adding another Canada and Switzerland to the global economy every year.”*

**U.S. Secretary of Commerce, Carlos M. Gutierrez's Remarks before the Detroit Economic Club,  
March 20, 2006 Detroit, Michigan**

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ITA's Manufacturing and Services (MAS) program seeks to improve U.S. domestic and international competitiveness by identifying and working to remove and/or prevent impediments to doing business. MAS ensures that industry views are fully evaluated during the development of U.S. economic, trade and regulatory policies. The reality of today's global economy requires that any analysis of U.S. business competitiveness be holistic in its view, accounting for both domestic and international factors. MAS' analysts are thus active in the domestic policy process and also at every stage of trade policy formation, negotiation, and implementation. As the U.S. government's primary source for industry expertise, MAS' crucial role is to provide U.S. policymakers an objective analysis of industry viewpoints in the context of the nation's domestic and international economic interests.

ITA's Trade Promotion and U.S. & Foreign Commercial Service program's (Commercial Service) primary emphasis is on the promotion of the exports of goods and services from the United States, particularly from small and medium-sized businesses. Recently, other services have risen in importance, including its role in overseas commercial diplomacy and the protection of U.S. business interests abroad. Commercial Service employees work to expand the number of U.S. companies exporting for the first time, expand the number of exporters that export to more than one country, and facilitate the increase of U.S. exports in all markets where assistance is needed. The Commercial Service provides high-quality services and customized solutions through a unique global network of knowledgeable trade professionals located in over 250 offices worldwide. Specialized help is extended to assist rural companies and minority/women-owned firms.

ITA's Market Access and Compliance (MAC) program takes proactive measures to ensure that U.S. trading partners honor trade agreement commitments. MAC's primary focus is to create trade opportunities through the removal of market access barriers. MAC is staffed with regional and country experts, as well as experts in intellectual property rights, trade compliance and policy analysis. MAC works closely with the United States Trade Representative (USTR) and Commerce's U.S. Patent and Trademark Office (USPTO) to investigate and resolve violations of U.S. negotiated trade agreements. MAC advances trade compliance and market access through its Trade Compliance Center, which monitors foreign countries' compliance with trade agreement obligations, addresses compliance violations promptly, and increases awareness among U.S. exporters of the rights created by these trade agreements.

ITA's Import Administration (IA) program enforces U.S. trade laws and works extensively with U.S. businesses to help them understand U.S. trade laws dealing with dumping and foreign government subsidies. Appropriate actions are taken when violations are identified. IA's Unfair Trade Practices Team tracks, detects and confronts unfair competition by monitoring economic data from U.S. global competitors and vigorously investigates evidence of unfair subsidization and production distortions. IA has increased its focus and sharpened its expertise on China through its China Compliance Office so as to ensure that China adheres to its accession requirements under the World Trade Organization (WTO). It is critical that IA devotes more resources to China cases and issues unique to non-market economies, such as intellectual property rights violations and subsidization.

**Priorities/Management Challenges**

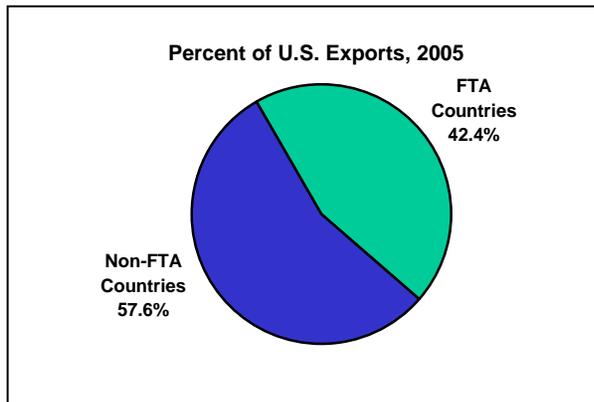
ITA recognizes there are considerable opportunities and challenges that the organization will face in the next fiscal year. These are described below:

- **Supporting the conclusion of the Doha Round and World Trade Organization (WTO) accession negotiations** - In FY 2008, ITA will advance trade policy through its close support for the United States Trade Representative (USTR) in developing market-opening agreements in manufacturing and services sectors and in the accession process for Russia, Ukraine, and Vietnam, and assist specifically in the completion of the Russian market access package. In addition, ITA will develop analytical material and negotiating proposals to achieve commercially meaningful tariff cuts for manufacturers, and to reduce non-

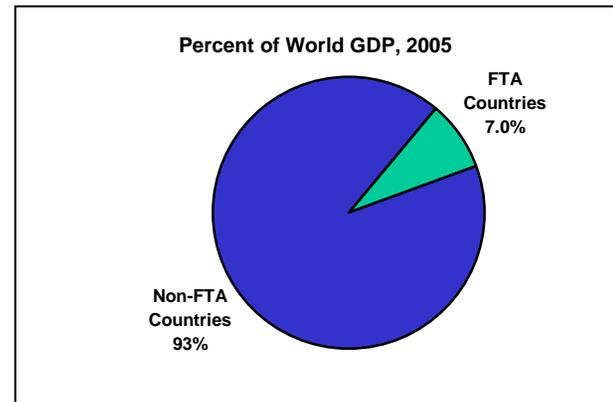
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tariff barriers. ITA programs, also will lead antidumping aspects of Rules negotiations, to achieve an agreement maintaining the strength and effectiveness of U.S. trade remedy laws.

- **Supporting the development and implementation of Free Trade Agreements (FTAs) and other bilateral/regional initiatives** - While countries with which the United States signed FTAs account for seven percent of world GDP, they also account for over 42 percent of U.S. exports (see charts below). American exports to these countries have shown substantial increases following the implementation of FTA agreements. For example, U.S. exports to Chile grew by over 90 percent over the year following the implementation of the FTA, and exports to Singapore grew 25 percent year-on-year.



Source: ITA Office of Trade and Economic Analysis



Source: ITA Office of Trade and Economic Analysis

- **Strengthening public-private promotion and implementing commercial strategies** – Two critical program priorities for ITA during FY 2008 include its efforts to strengthen promotion, by leveraging public and private partnerships and to promote U.S. exports in strategic and emerging markets through the implementation of commercial strategies. These priorities reinforce ITA's goal to broaden and deepen the export base.
  - Working with multipliers and strategic partnerships and promoting other Federal trade promotion and finance agency programs is key to amplifying ITA's promotion efforts. ITA will continue to build on recent successes such as: an E-Bay marketing partnership to promote Commercial Service programs and services; and PNC Bank and the Ex-Im Bank partnerships to provide information on mechanisms for financing purchases of U.S. products and services.
  - ITA will continue to partner with private-sector enterprises to reach the untapped thousands of U.S. companies that could be successful exporters. Express delivery companies, banks, web-based marketplaces, publishers and trade associations, for example, all have tremendous reach in the business community. They also have an interest in their clients expanding to and succeeding in foreign markets. ITA puts partnerships at the center of its trade-promotion agenda, inviting all potential private multipliers to join in broadening the base of U.S. exporters.

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- **Improving U.S. competitiveness and providing sector analysis and outreach for domestic and international trade policy** - The reality of today's global economy requires that any analysis of U.S. business competitiveness be holistic in its view, accounting for both domestic and international factors. ITA consults with U.S. industry to assess the impact of proposed domestic and international regulatory policies that affect U.S. industry's competitiveness. The report *Manufacturing in America* detailed the need for the government to support manufacturers, who currently face the most intense global competition in history. Service industries, which represent approximately 70 percent of private-sector output, confront an identical level of competitive intensity. Manufacturers' concerns are one of the important foundations for generating policy recommendations to help ensure that government is creating conditions where U.S. manufacturers can compete in intensely competitive global markets. In FY 2008, ITA will lead U.S. government efforts to advance U.S. industry competitiveness. ITA will assess the impact of selected domestic and international economic policies on U.S. competitiveness with reports and analyses such as the FY 2006 "Sugar Study" and will evaluate regulatory impacts on U.S. Industry through working groups, advisory committees and regulatory analyses like the FY 2006 hexavalent chromium regulatory assessment.
  
- **Expanding market access and promoting U.S. exports to commercially significant markets** - ITA is committed in FY 2008 to addressing the removal of existing trade barriers and compliance with negotiated trade agreements. ITA is a critical player in monitoring compliance with existing trade agreements and initiating and resolving market access and compliance cases. ITA remains tenacious in its focus on key crosscutting issues such as standards and intellectual property rights (IPR) protection. Standards and related technical regulations affect an estimated 80 percent of world trade. ITA recognizes that it is critical to address standards-related issues since standards can both distort trade and undermine U.S. competitiveness. Moreover, it is estimated that IPR losses for U.S. firms amount to between \$200 - \$250 billion annually.
  
- **Ensuring compliance with and enforcement of trade laws and agreements** - ITA takes new and proactive measures to make certain that U.S. trading partners honor trade agreement commitments, which includes creating trade opportunities through the removal of market access barriers. ITA also focuses on working with U.S. businesses to help them understand U.S. trade laws dealing with dumping and foreign government subsidies. ITA planned actions include:
  - Developing and/or implementing aggressive monitoring plans on foreign compliance for all new FTAs.
  - Continuing to advance our trade agenda with China through the U.S.-China Joint Commission on Commerce and Trade (JCCT), and actively follow-up on 2006 JCCT agenda to ensure China's WTO compliance.
  - Working toward achieving transparency in identifying and measuring subsidies in China, a difficulty furthered by China's continuing failure to provide its annual subsidy notification to the WTO.
  - Expanding global intellectual property rights (IPR) enforcement: ITA is focusing resources to enforce U.S. negotiated trade agreements and combat violators of IPR around the world. ITA will identify perpetrators along the entire chain, including manufacturers and importers, and will exert pressure on countries where problems are found. ITA will work with U.S. industry and other U.S. agencies, including the United States Patent and Trademark Office (USPTO) and the U.S. Food and Drug Administration, to investigate allegations of piracy and to help resolve market access and trade compliance cases. ITA is a partner in the U.S. Strategy Targeting Organized Piracy (STOP available at [www.stopfakes.gov](http://www.stopfakes.gov)).
  - Continuing to initiate antidumping and countervailing duty investigations based on properly documented and supported petitions for import relief, to determine whether the subject imports are being dumped or subsidized and, where injury is found by the International Trade Commission, to impose antidumping or countervailing duties to offset the unfair trade.
  - Identifying and evaluating foreign unfair trade practices of potential harm to U.S. commercial interests that may be more appropriately addressed through bilateral intervention and, where warranted, dispute settlement action in coordination with USTR.

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- **Implementing the President's Management Agenda** - ITA program units, with extensive support and commitment from the CFO and CIO, will produce results for each of the five key initiatives under the PMA by promoting the strategic management of human capital; advancing the application of electronic government; finding opportunities for competitive sourcing; improving financial management practices and by aligning program planning and resource management to achieve budget and performance integration. Planned actions identified in ITA's Strategic Plan include the following:
- ITA management will advance efforts to accomplish identified PMA milestones and assess progress through quarterly reviews.
  - ITA leadership will advance a comprehensive knowledge management strategy and utilize system/resource alignment to support PMA and succession planning goals.
  - ITA will review alignment and allocations of resources aimed at PMA initiatives and develop proposals to bolster implementation efforts for each initiative.

**ITA Target and Performance Summary for Annual and Long Term Measures  
(By DOC Goal/Objective and ITA Performance Goal)**

**DOC Strategic Goal 1:** Provide the information and tools to maximize U.S. competitiveness and enable economic growth for American industries, workers and consumers

**DOC Objective 1.1:** Enhance economic growth for all Americans by developing partnerships with private sector and non-governmental organizations

<b>ITA Performance Goal 1: Enhance U.S. Competitiveness in Domestic and International Markets</b>	<b>FY 2003 Actual</b>	<b>FY 2004 Actual</b>	<b>FY 2005 Actual</b>	<b>FY 2006 Actual</b>	<b>FY 2007 Target</b>	<b>FY 2008 Target</b>
<b>Annual Measures</b>						
Percent of agreement milestones completed	N/A	N/A	57%	100%	70%	70%
Percent reduction in per unit cost of data distribution	N/A	N/A	N/A	12%	5%	5%
Percent of industry-specific trade barrier milestones completed	N/A	N/A	83%	81%	85%	85%
Total cost savings resulting from the adoption of MAS recommendations contained in MAS studies and analysis	N/A	N/A	\$350 million	\$287 million	\$372 million	\$394 million
<b>ITA Performance Goal 1: Enhance U.S. Competitiveness in Domestic and International Markets</b>						
<b>Long Term Measure (Five Year Period)</b>						
Percent of industry specific trade barriers addressed that were removed or prevented	N/A	N/A	NA	16%	50% of LT Target	30%
Total cost savings identified in MAS studies and analyses	N/A	N/A	NA	\$354 million	50% of LT Target	\$1.9 billion (Cumulative)

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**ITA Target and Performance Summary for Annual and Long Term Measures  
(By DOC Goal/Objective and ITA Performance Goal) (continued)**

**DOC Strategic Goal 1:** Provide the information and tools to maximize U.S. competitiveness and enable economic growth for American industries, workers and consumers

**DOC Objective 1.1:** Enhance economic growth for all Americans by developing partnerships with private sector and non-governmental organizations

<b>Performance Goal 2: Broaden and Deepen the U.S. Exporter Base</b>	<b>FY 2003 Actual</b>	<b>FY 2004 Actual</b>	<b>FY 2005 Actual</b>	<b>FY 2006 Actual</b>	<b>FY 2007 Target</b>	<b>FY 2008 Target</b>
<b>Annual Measures</b>						
Percentage of advocacy actions completed successfully	10%	13%	12%	8.6%	12%	12%
\$ Value of advocacy cases completed successfully <sup>1</sup>	N/A	N/A	N/A	\$33.2 billion	\$5.0 billion	\$5.0 billion
Number of new-to-export export successes	896	704	620	551	700	700
Number of new-to-market export successes	6,278	4,759	4,888	4,110	4,760	4,760
Number of increase-to-market export successes	N/A	N/A	N/A	7,258	5,925	5,925
Number of export successes made as a result of ITA involvement	14,090	11,382	12,518	11,919	11,385	11,385

<b>ITA Performance Goal 2: Broaden and Deepen the U.S. Exporter Base</b>	<b>FY 2003 Actual</b>	<b>FY 2004 Actual</b>	<b>FY 2005 Actual</b>	<b>FY 2006 Actual</b>	<b>Midpoint Target</b>	<b>FY 2011 Target</b>
<b>Long Term (LT) Measure (Five Year Period)</b>						
Number of new-to-export export successes	N/A	N/A	N/A	2,771	50% of LT Target	5,000
Number of new-to-market export successes	N/A	N/A	N/A	20,035	50% of LT Target	35,000
Number of increase-to-market export successes	N/A	N/A	N/A	7,258	50% of LT Target	36,000
Number of export successes made as a result of ITA involvement	N/A	N/A	N/A	49,909	50% of LT Target	76,000

<sup>1</sup> The FY 2006 number is an anomaly. This number is extremely high due to completion of six airline purchase agreements valuing \$5.6 billion each (in U.S. content).

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**ITA Target and Performance Summary for Annual and Long Term Measures  
(By DOC Goal/Objective and ITA Performance Goal) (continued)**

**DOC Strategic Goal 1:** Provide the information and tools to maximize U.S. competitiveness and enable economic growth for American industries, workers and consumers

**DOC Objective 1.2:** Advance responsible economic growth and trade while protecting American security

<b>Performance Goal 3: Identify and Resolve Unfair Trade Practices</b>	<b>FY 2003 Actual</b>	<b>FY 2004 Actual</b>	<b>FY 2005 Actual</b>	<b>FY 2006 Actual</b>	<b>FY 2007 Target</b>	<b>FY 2008 Target</b>
<b>Annual Measures</b>						
Percentage of AD/CVD proceedings completed within statutory deadlines	100%	100%	100%	100%	100%	100%
Number of market access and compliance cases initiated	144	161	163	178	160	160
Number of market access and compliance cases concluded	158	116	123	140	120	120
Percentage of market access and compliance cases initiated on behalf of small and medium-sized businesses	N/A	N/A	New	23.8%	30%	30%
Percentage of market access and compliance cases resolved successfully (reduction or elimination of the market barrier)	N/A	N/A	New	46% / per qtr	25% / per qtr	25% / per qtr
<b>ITA Performance Goal 3: Identify and Resolve Unfair Trade Practices</b>						
	<b>FY 2003 Actual</b>	<b>FY 2004 Actual</b>	<b>FY 2005 Actual</b>	<b>FY 2006 Actual</b>	<b>Midpoint Target</b>	<b>FY 2011 Target</b>
<b>Long Term Measure (Five Year Period)</b>						
Percentage of AD/CVD proceedings completed within statutory deadlines	100%	100%	100%	100%	100%	100%
Percentage of market access and compliance cases initiated on behalf of small and medium-sized businesses	N/A	N/A	New	23.8%	30%	30%
Percentage of market access and compliance cases resolved successfully (reduction or elimination of the market barrier)	N/A	N/A	N/A	46% / per qtr	25% / per qtr	25% / per qtr

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**Resource Requirements Summary**

(Dollars in Millions)

<b>ITA Performance Goal 1: Enhance U.S. Competitiveness in Domestic and International Markets</b>								
	<b>FY 2003 Actual</b>	<b>FY 2004 Actual</b>	<b>FY 2005 Actual</b>	<b>FY 2006 Actual</b>	<b>FY 2007 Currently Available</b>	<b>FY 2008 Base</b>	<b>Increase/ Decrease</b>	<b>FY 2008 Request</b>
Manufacturing and Services	\$69.9	\$52.3	\$58.9	\$49.1	\$51.4	\$50.0	\$0.0	\$50.0
Executive Direction/Administration	\$2.8	\$3.7	\$3.7	\$3.7	\$3.5	\$3.4	\$0.0	\$3.4
<b>Total Funding</b>	<b>\$72.7</b>	<b>\$56.0</b>	<b>\$62.6</b>	<b>\$52.8</b>	<b>\$54.9</b>	<b>\$53.4</b>	<b>\$0.0</b>	<b>\$53.4</b>
Direct	\$70.6	\$54.3	\$62.2	\$52.1	\$54.3	\$52.8	\$0.0	\$52.8
Reimbursable	\$2.1	\$1.7	\$0.4	\$0.7	\$0.6	\$0.6	\$0.0	\$0.6
IT Funding	\$4.0	\$4.0	\$4.2	\$5.7	\$6.0	\$5.8	\$0.0	\$5.8
FTE	402	287	264	257	256	256	0	256

<b>ITA Performance Goal 2: Broaden and Deepen the U.S. Exporter Base</b>								
	<b>FY 2003 Actual</b>	<b>FY 2004 Actual</b>	<b>FY 2005 Actual</b>	<b>FY 2006 Actual</b>	<b>FY 2007 Currently Available</b>	<b>FY 2008 Base</b>	<b>Increase/ Decrease</b>	<b>FY 2008 Request</b>
Commercial Service	\$208.6	\$212.9	\$236.1	\$247.5	\$237.1	\$245.8	\$0.0	\$245.8
Executive Direction/Administration	\$9.1	\$13.5	\$16.6	\$16.6	\$16.8	\$17.2	\$0.0	\$17.2
<b>Total Funding</b>	<b>\$217.7</b>	<b>\$226.4</b>	<b>\$252.7</b>	<b>\$264.1</b>	<b>\$253.8</b>	<b>\$263.1</b>	<b>\$0.0</b>	<b>\$263.1</b>
Direct	\$208.4	\$217.5	\$242.1	\$251.8	\$241.4	\$245.7	\$0.0	\$245.7
Reimbursable	\$9.3	\$8.9	\$10.6	\$12.3	\$12.4	\$17.4	\$0.0	\$17.4
IT Funding	\$14.6	\$12.5	\$19.9	\$20.3	\$21.4	\$20.3	\$0.0	\$20.3
FTE	1,290	1,273	1,335	1,338	1,352	1,352	0.0	1,352

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**Resource Requirements Summary**  
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<b>ITA Performance Goal 3: Identify and Resolve Unfair Trade Practices</b>								
	<b>FY 2003 Actual</b>	<b>FY 2004 Actual</b>	<b>FY 2005 Actual</b>	<b>FY 2006 Actual</b>	<b>FY 2007 Currently Available</b>	<b>FY 2008 Base</b>	<b>Increase/ Decrease</b>	<b>FY 2008 Request</b>
Market Access and Compliance	\$37.9	\$42.2	\$44.4	\$43.5	\$43.1	\$41.8	\$1.3	\$43.1
Import Administration	\$45.6	\$45.4	\$63.1	\$71.7	\$67.4	\$71.6	\$0.0	\$71.6
Executive Direction/Administration	\$4.6	\$7.0	\$8.3	\$8.3	\$7.3	\$8.0	\$0.0	\$8.0
<b>Total Funding</b>	<b>\$88.1</b>	<b>\$94.6</b>	<b>\$115.8</b>	<b>\$123.5</b>	<b>\$117.8</b>	<b>\$121.5</b>	<b>\$1.3</b>	<b>\$122.8</b>
Direct	\$87.6	\$92.7	\$114.6	\$122.0	\$114.4	\$118.0	\$1.3	\$119.3
Reimbursable	\$0.5	\$1.9	\$1.2	\$1.5	\$3.4	\$3.5	\$0.0	\$3.5
IT Funding	\$6.5	\$6.0	\$7.9	\$11.0	\$12.3	\$11.8	\$0.0	\$11.8
FTE	574	610	638	634	634	634	8	642

<b>Grand Total</b>								
Total Funding	\$378.5	\$377.0	\$431.1	\$440.4	\$426.6	\$437.8	\$1.3	\$439.3
Direct	\$366.6	\$364.5	\$419.0	\$425.9	\$410.1	\$416.5	\$1.3	\$417.8
Reimbursable	\$11.9	\$12.5	\$12.2	\$14.4	\$16.5	\$21.5	\$0.0	\$21.5
IT Funding	\$25.1	\$22.5	\$32.0	\$37.0	\$39.7	\$37.9	\$0.0	\$37.9
FTE	2,266	2,170	2,237	2,242	2,242	2,242	8	2,250

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**Skill Summary:**

The following list describes ITA's core competencies.<sup>1</sup> These skills are essential to ensure the success of ITA's strategic mission. Skill gaps and additional skills are currently being identified to ensure ITA is equipped with newly identified capabilities to advance its program functions. At present, ITA requires all the skills listed below:

- In-depth knowledge of international and domestic trade laws and regulations, economics, and commercial diplomacy;
- Understanding of foreign trade practices, trade programs and policies;
- Regulatory economic analysis;
- Research and analytical skills to help evaluate U.S. industry conditions, domestic and overseas market/industry trends, and U.S. and foreign government policies impacting U.S. businesses;
- Skills to manage the development of trade policy impacting the competitiveness of domestic industry;
- Country, regional and/or industry-sector expertise;
- Specialized knowledge and experience in export marketing, trade mechanics and promotion;
- In-depth knowledge of trade distorting practices related to production aberrations and non-tariff barriers;
- Understanding of key trade issue areas such as intellectual property rights, non-tariff trade barriers, international standards;
- Knowledge of key U.S. government positions for country/sector specific bilateral, multilateral, and plurilateral trade negotiations;
- Information technology skills to deliver services to clients, stakeholders and oversight authorities; to identify, analyze, and manage information and information enterprise architecture; and to interface with technology to improve productivity and client service;
- Leadership skills to lead and manage ITA's missions and programs;
- Customer service skills to improve delivery of products and services to customers and, where possible, assess appropriate fees; and
- Project management skills to lead and manage projects and contracted work.

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<sup>1</sup> Source of core competencies is ITA's Office of Human Resources Management.

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**ITA Performance Goal 1: Enhance U.S. Competitiveness in Domestic and International Markets**

Corresponding DOC Strategic Goal and Objective:

DOC Strategic Goal 1: Provide the information and tools to maximize U.S. competitiveness and enable economic growth for American industries, workers and consumers

DOC Objective 1.1: Enhance economic growth for all Americans by developing partnerships with private sector and non-governmental organizations

**Rationale for ITA Performance Goal 1:**

ITA's Manufacturing and Services (MAS) program advances and strengthens the competitiveness of U.S. industry by researching and analyzing competitive factors that impact U.S. business sectors in domestic and international business environments. Specifically, MAS serves as the liaison with U.S. industry and trade associations to address U.S. industry's concerns (trade and otherwise) and to support U.S. industry's competitiveness. The program collects, compiles, and disseminates data on U.S. industry and trade, and provides critical advice through the International Trade Advisory Committees (ITACs) on domestic and international trade and investment policies affecting the competitiveness of U.S. industry. MAS undertakes a program of research and analysis of the manufacturing and services industries. Based on these analyses and interactions with U.S. industry, MAS develops strategies, policies, and programs to strengthen the competitive position of U.S. industries in the United States and world markets. MAS maintains a focus that ensures inclusion of U.S. SMEs since these firms are critical to the U.S. economy.

MAS industry analysts provide in-depth industry information and advice to the Secretary on trends in the manufacturing and services industries, and support the Secretary in his role as the federal government's chief advocate for the manufacturing and services sectors. These analysts evaluate the effects of domestic and international economic and regulatory policies on the ability of U.S. industry to compete in world markets. The program's industry experts analyze regulations and other proposed policies to determine their impact on cost competitiveness of U.S. firms and work with other U.S. agencies to reduce the impact of proposed and existing policies and regulations on U.S. industries.

**ANNUAL MEASURES**

**Measure: Percent of agreement milestones completed**

Explanation of Measure: This performance measure captures the work of MAS industry analysts and trade negotiators who work on multi-year free trade agreements that benefit U.S. exporters and are intended to enhance U.S. competitiveness. In addition, these agreement milestones ensure that MAS's efforts are aligned to the President's American Competitiveness Initiative, as well as to the Department of Commerce Standard's Initiative. Overall, these milestones assist in tracking the MAS program's progress toward accomplishing key tasks associated with strengthening domestic and international competitiveness.

**FY 2008 Target:** The FY 2008 target of agreement milestones completed is 70 percent.

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**Measure: Percent reduction in per unit cost of data distribution**

Explanation of Measure: This performance measure captures the per unit dollar cost for MAS to distribute economic data electronically. This measure is important because it measures how efficiently MAS carries out the specific services it provides to U.S. industry. The purpose of this measure is to track the per unit dollar cost reduction of distributing data electronically. This is a new MAS efficiency measure that was recently approved by OMB during the MAS PART review.

**FY 2008 Target:** The FY 2008 target of agreement milestones completed is 5 percent.

**Measure: Percent of industry-specific trade barrier milestones completed**

**Explanation of Measure:** This measure reports on the success of MAS's industry analysis staff to target and remove industry-specific trade barriers. MAS is measuring its progress in achieving market openings through the removal or prevention of these barriers. Key milestones are tracked for each barrier. Barriers have been identified by industry and assessed by MAS program staff to establish their commercial and strategic value. An example of this type of work includes MAS's efforts to prevent the adoption of wireless encryption standards in China that would adversely affect U.S. manufacturers of wireless devices. MAS anticipates that it will complete an ambitious number of milestones annually. The FY 2005 actual was 83 percent of the annual milestones completed and the FY 2006 actual is 81 percent of the annual milestones completed. This links to MAS long-term outcome measure that is the outcome of achieving these milestones, (percent of industry-specific barriers addressed that were removed or prevented). Data for 2006 indicates that MAS removed three of its long-term targeted 19 trade barriers (a 16 percent annual success rate) and made substantial progress toward the removal of several others.

**FY 2008 Target:** The FY 2008 target is 85 percent.

**Measure: Total cost savings resulting from the adoption of MAS recommendations contained in MAS studies and analyses**

**Explanation of Measure:** This measure captures the work of MAS analysts who evaluate the upstream and downstream impact of various regulations on U.S. manufacturers and service providers with the ultimate goal of reducing the cost of regulation. For example, The MAS Hexavalent Chromium team conducted analysis of Occupational Safety and Health Administration's (OSHA) proposed and final rules for workplace exposure to hexavalent chromium in fulfillment of the Department's new regulatory review mission as part of the overall mission to ensure industry competitiveness. The team conducted independent research, and consulted with industry and industry associations to identify their concerns regarding the proposed rule's potential economic impact and effect on U.S. industries' competitiveness in world markets. A major contribution of the team was introducing new and innovative analyses that took into account the global impacts of the proposed regulations. Working with OMB's Office of Information and Regulatory Affairs and OSHA, the team was instrumental in identifying an estimated \$287 million compliance cost savings to industry (OSHA estimate). Members of Congress, industry groups, and several Federal agencies praised the Department's contribution to the rulemaking process. Like the previous annual metric, this measure links to MAS long-term outcome measure, "total cost savings identified in MAS studies and analyses."

**FY 2008 Target:** MAS achieved a \$287 million actual cost savings during 2006 and has set an aggressive target of achieving \$372 million in savings for 2007. The target for FY 2008 is \$394 million.

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**LONG-TERM MEASURES**

**Measure: Percent of industry specific trade barriers addressed that were removed or prevented**

**Explanation of Measure:** This measure quantifies progress toward the removal of foreign trade barriers that place U.S. companies at a disadvantage in trying to enter foreign markets over a five-year period. These efforts assist in leveling the playing field for U.S. businesses. This measure illustrates MAS's involvement in addressing industry-specific trade barriers to U.S. companies. This long-term measure has an ambitious target of 30 percent. Data for 2006 indicate that MAS removed three of its targeted 19 trade barriers (a 16 percent success rate) and has made substantial progress towards the removal of several others.

**FY 2011 Target:** The FY target is 30 percent industry-specific trade barriers removed.

**Measure: Total cost savings identified in MAS studies and analyses**

**Explanation of Measure:** This measure captures the work of MAS analysts who evaluate the upstream and downstream impacts of various regulations on U.S. manufacturers and service providers with the ultimate goal of reducing the cost of regulation. This long-term outcome measure is new, but MAS achieved \$354 million in cost savings during 2006 and has an aggressive target of achieving \$372 million in savings for 2007.

**FY 2011 Target:** The FY 2011 long-term target over \$1.9 billion in cumulative annual cost savings.

**PROGRAM EVALUATIONS**

**Program Assessment Rating Tool (PART) Reviews** – During FY 2006 and in the first quarter of FY 2007, ITA worked with the Office of Management and Budget (OMB) to complete a PART review of the MAS program. Results from this PART review assisted the MAS program in gauging its strategic planning efforts, identifying and improving performance metrics, and determining effective annual and long-term outcomes and results.

The MAS program used the PART review to spur the development of improved outcome-oriented measures. Overall, the program received a score of 67 and an adequate rating .

**Independent Verification and Validation (IV&V) Reviews** - In FY 2006, ITA's Planning and Performance Management Staff, in conjunction with ITA Program "Measure Owners," conducted Independent Verification and Validation (IV&V) Reviews of selected performance measures. This included working with the MAS program to develop controls and systems for reporting MAS's three new annual and two new long-term performance measures. MAS will be positioned in future years to have its metrics audited or subject to IV&V procedures that enable tracking of source data back to individuals in the program and actions taken by program staff.

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**ITA Survey Results** - ITA conducted its second tri-annual ITA-wide customer satisfaction survey in the spring of 2006. The survey evaluated the overall program success and the portfolio of ITA's services by:

1. Benchmarking ITA against other federal government agencies;
2. Testing the validity of ITA's operating model;
3. Identifying quality of service concerns;
4. Showing which aspects of service have the greatest effect on satisfaction; and
5. Identifying recommended adjustments.

ITA hired an external contractor, the CFI Group, to use their patented methodology to conduct the survey to ensure the integrity of the analysis and the anonymity of the customer responses. The 2006 ITA-wide customer survey confirmed that ITA is meeting the needs of its customers, with satisfaction equal to that measured in the 2003 survey. The survey showed that ITA's customers are primarily small and medium-sized businesses, the largest portion (40 percent) of who are manufacturers. ITA's customers represent a broad range of industries and are often experienced exporters, with over a quarter of customers getting a majority of their revenue from exports. Customers are most satisfied with the assistance received to resolve transaction specific problems in a foreign country and with the special/niche Import Administration programs that ITA administers. Customers value their interactions with ITA staff and find them knowledgeable about foreign markets, though they would like to see ITA have more specific industry knowledge across the organization. Customer service remains strong, with scores slightly down from 2003, which makes continuing a strong customer service relationship an important area of focus. It will be important for ITA to understand that its customers exist at the organizational level and work to improve cross-program coordination to increase customer satisfaction over time. Based on the survey findings, ITA worked with a MAS program team to develop and implement actions directly targeted to improve customer satisfaction and service delivery to MAS clients and stakeholders.

### **CROSSCUTTING ACTIVITIES**

#### **Intra-Department of Commerce**

- The USPTO provides support to ITA during international negotiations on intellectual property rights and advises ITA on patent and trademark issues.
- ITA works closely with National Institute of Standards and Technology on key standards issues.
- ITA obtains and generates key trade data from data sources provided by the Bureau of Economic Affairs and from the Census Bureau. These data sources are essential to maintain ITA's trade policy information system, essential to the U.S. Trade Representative's negotiating efforts.

#### **Other Government Agencies**

- The U.S. Customs and Border Protection ensures the prompt and accurate implementation of import duty collection based on ITA's decisions on antidumping or countervailing duty cases.
- ITA obtains and generates key trade data from data sources provided by the Department of Labor's Bureau of Labor Statistics. These data sources are essential to maintain ITA's trade policy information system and labor-related regulatory analysis.
- The Federal Aviation Administration advises ITA on strategies to address foreign regulatory barriers and security standards for transportation.
- The Department of State's economic officers assist with market research and compliance projects in countries where the Commercial Service does not maintain or has deployed minimal commercial staff.
- The Trade Promotion Coordinating Committee (TPCC), which is housed in ITA, coordinates implementation of trade finance and trade-promotion programs of the 19 member agencies.

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**Government/Private Sector**

The President's Export Council, chaired by the Secretary of Commerce, advises the President on trade-policy issues. Its members include 28 chief executive officers of private-sector companies, officials of other agencies (Commerce, State, Treasury, Labor, Agriculture, Small Business Administration, Export-Import Bank, and U.S. Trade Representative), and ten Congressional representatives. The Industry Consultations Program, which consists of 22 trade advisory committees, provides a mechanism for the U.S. business community to provide input to the government on trade-policy issues.

**External Factors and Mitigation Strategies:**

All trade is subject to sharp changes in economic performance in markets around the world; changes in trade policy in foreign nations; expansion of markets just starting to open; technological advances; and large-scale, unexpected capital movement. ITA's success in achieving this goal is impacted by domestic and international economic conditions. ITA staff identifies these changes and adopt policies that continue to promote expanding overseas markets for U.S. firms and workers.

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**ITA Performance Goal 2: Broaden and Deepen the U.S. Exporter Base**

Corresponding DOC Strategic Goal:

DOC Strategic Goal 1: Provide the information and tools to maximize U.S. competitiveness and enable economic growth for American industries, workers and consumers

DOC Objective 1.1: Enhance economic growth for all Americans by developing partnerships with private sector and non-governmental organizations

**Rationale for ITA Performance Goal 2:**

Changing economic, technological and social conditions in the last two decades have altered how international trade is conducted. This changing international trading environment presents U.S. exporters with numerous challenges and opportunities. There are new markets to target, new trade barriers to overcome, a need for differing types of export assistance, shifts in industry dynamics, a stronger role for international organizations and alliances, and various policy mandates to be considered, including foreign policy and U.S. security goals.

Moreover, the health of the U.S. economy depends on the growth of the nation's small and medium-sized enterprises (SME). ITA's Commercial Service focuses on helping U.S. firms, both large and small, take advantage of commercial opportunities abroad so that they can grow their businesses at home. The Commercial Service, through its unique global network of trade professionals located in over 250 offices domestically and in U.S. Embassies and Consulates around the world, offers four ways to help U.S. firms grow their international sales by (1) providing world class market research, (2) organizing trade events that promote products or services to qualified overseas buyers (3), arranging introductions to qualified agents, buyers and distributors, (4) offering expert counseling through every stage of the export process.

ITA's Commercial Service also operates a Trade Information Center that provides a single point of contact for all government export promotion and finance programs, runs the Advocacy Center that supports U.S. companies bidding on major foreign contracts, and coordinates U.S. government export promotion and finance programs through the interagency TPCC. Moreover, ITA's Commercial Service works closely with local, state and private sector partners to deliver export assistance and to increase foreign sales opportunity awareness among U.S. companies.

ITA and the Commercial Service promote U.S. export growth through the development and implementation of the National Export Strategy (NES). The centerpiece of the NES is a focus on partnerships. Some of our nation's greatest strengths result from the capabilities, reach and resources of American enterprises engaged in activities that touch buyers and sellers around the world, such as express delivery companies, banks, and web-based marketplaces. These businesses can be great teachers and facilitators for other American companies wanting to export more, or export better. Already a number of great American companies have stepped forward to participate, and have offered to assist us in our efforts to increase American exports. The first group of ITA strategic partners are: Dow Jones through their Asia Wall Street Journal unit, eBay, FedEx and PNC Bank. As a result of their efforts, which include hundreds of marketing events and placement of trade information on their websites and in their newsletters, hundreds of thousands of companies have been exposed to ITA services. ITA is also beginning to engage with these strategic partners in targeted marketing strategies. For example, FedEx is helping ITA to identify and inform U.S. exporters to Mexico about new business opportunities in Central America, which have come about as a result of recent Free Trade Agreements that the U.S. has signed with these countries. These private sector partners join ITA's traditional interagency partners, such as SBA, The Export-Import Bank, the Overseas Private Investment Corporation, and state and local governments in an effort to educate, inform and assist companies. These partnerships help achieve the government's and the private partners' goals of expanding foreign sales.

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**ANNUAL MEASURES**

**Measure: Percentage of Advocacy Actions Completed Successfully**

**Explanation of Measure:** This measure captures information about the effectiveness of the Commercial Services' advocacy efforts by measuring the percentage of successful advocacy awards made to U.S. firms during a fiscal year. ITA's Advocacy Center helps U.S. exporters win foreign government procurement contracts, and each contract creates and retains U.S. jobs over the life of each project. Many of these projects provide secondary suppliers with contracts. These suppliers are frequently small businesses. The Advocacy Center advances trade promotion and deal making to support three basic U.S. firm needs: (1) access to new markets, (2) entry to markets, and (3) expansion of export activities.

**FY 2008 Target:** Based on historical data trends, the FY 2008 target will remain a 12 percent.

**Measure: Dollar Value of Advocacy Cases Completed Successfully**

**Explanation of Measure:** This measure provides specific information about the effectiveness of the Commercial Service's Advocacy efforts by determining the associated dollar volume for ITA's success in providing U.S. companies coordinated, strategic government support. The measure indicates the specific dollar value of U.S. export content of advocacy cases completed successfully as evidenced by a contract award, signed contract or other significant export-related benefit. There are occasions where completed significant advocacy projects cause excessive variance with the annual target. This aberration occurred in FY 2006 due to completion of six airline purchase agreements valuing \$5.6 billion each (in U.S. content).

**FY 2008 Target:** The FY 2008 target is \$5.0 billion.

**Measure: Number of New-to-Export Export Successes**

**Explanation of Measure:** The Commercial Service focuses on small businesses that are export-ready. Export-ready firms are those with competitive products or services and those that already possess a level of financial and managerial strength that should enable them to export. The Commercial Service will record and report on the number of U.S. firms exporting for the first time that transact an actual verifiable export sale, which includes: shipment of goods or delivery of services; signing of a legally binding agreement, including agent or distributor, representation, joint venture, strategic alliance, licensing, and franchising agreements; or signing of a contract with future sales expected for the first time. Additionally, the firm must not have exported in the last 24 months, have prior exports resulting from unsolicited orders, or have exports that were made through a U.S.-based intermediary.

**FY 2008 Target:** The target remains a range of 700 export successes. This target reflects current U.S. export trends attributable to uncertainties associated with global conditions and exporting expectations.

**Measure: Number of New-to-Market Export Successes**

**Explanation of Measure:** This measure helps to assess the Commercial Services' success in assisting U.S. exporters to export into a new overseas market. It measures the Commercial Services' effectiveness in promoting trade. The Commercial Service records and reports on the number of U.S. exporters entering new markets that

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transact actual verifiable export sales, which include: shipment of goods or delivery of services; signing of legally binding agreements, including agent or distributor, representation, joint venture, strategic alliance, licensing, and franchising agreements; and signing of contracts with future sales expected for the first time.

**FY 2008 Target:** The target is 4,760 export successes. This target also reflects current U.S. export trends attributable to uncertainties associated with global conditions and exporting expectations.

**Measure: Number of Increase-to-Market Export Successes**

**Explanation of Measure:** This measure gauges the success of ITA in helping U.S. suppliers expand their export transactions in markets where they have already sold U.S. products and services (the number of export sales or other significant export-related benefits achieved with the support of the Commercial Service by a U.S. exporter in a foreign market to which it has actively exported during the immediately preceding 24-month period).

**FY 2008 Target:** The FY 2008 target is 5,925 export successes.

**Measure: Number of Export Successes Made as a Result of ITA Involvement**

**Explanation of Measure:** This performance measure captures information on the number of export transactions executed by U.S. firms that resulted directly from Commercial Services' counseling, matchmaking, research, information products, or other export promotion activities. An export transaction occurs when the Commercial Service: facilitates an actual verifiable export sale, a shipment of goods or delivery of services; helps a client identify and sign with an agent or distributor or sign a contract that ensures the expectation of future sales, where there is a direct link between the assistance provided and the resulting outcome; and helps a U.S. firm avoid harm or loss, for example, by helping it obtain payment or resolve some other kind of trade dispute.

**FY 2008 Target:** The FY 2008 target range is 11,385 transactions. The target reflects the impact of budgetary variations and the expected impact of higher prices of products and services.

**LONG-TERM MEASURES**

**Measure: Number of New-to-Export Successes**

**Explanation of Measure:** This measure is similar to the annual New-to-Export export success measure stated above but is cumulative and is reported as a long-term measure. Similarly, the Commercial Service focuses on small and medium-sized businesses that are export-ready. Export-ready firms are those with competitive products or services and those firms that already possess a level of financial and managerial strength that should enable them to export. The Commercial Service will record and report on the number of U.S. firms exporting for the first time that transact an actual verifiable export sale, which includes: shipment of goods or delivery of services; signing of a legally binding agreement, including agent or distributor, representation, joint venture, strategic alliance, licensing, and franchising agreements; or signing of a contract with future sales expected for the first time. Additionally, the firm has not exported in the last 24 months, prior exports have resulted from unsolicited orders, or exports were made through a U.S.-based intermediary.

**FY 2011 Target:** The target is 5,000 export successes.

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**Measure: Number of New-to-Market Export Successes**

**Explanation of Measure:** This measure is similar to the annual New-to-Market export success measure stated above but is cumulative and is reported as a long-term measure. Similarly, this performance measure helps to assess the Commercial Services' success bringing in U.S. exporters who have exported into a new overseas market. It measures the Commercial Services' effectiveness in promoting trade. The Commercial Service records and reports on the number of U.S. exporters entering new markets that transact actual verifiable export sales, which include: shipment of goods or delivery of services; signing of legally binding agreements, including agent or distributor, representation, joint venture, strategic alliance, licensing, and franchising agreements; and signing of contracts with future sales expected for the first time.

**FY 2011 Target:** The FY 2011 target is 35,000 export successes.

**Measure: Number of Increase-to-Market Export Successes**

**Explanation of Measure:** This measure is similar to the annual Increase-to-Market export success measure stated above but is cumulative and is reported as a long-term measure. Similarly, the purpose of this measure is to gauge the success of ITA in helping U.S. suppliers expand their export transactions in markets where they have already sold U.S. products and services. The number of export sales or other significant export-related benefits achieved with the support of Commercial Service personnel or programs by a U.S. exporter in a foreign market to which it has actively exported during the immediately preceding 24-month period.

**FY 2011 Target:** The FY 2011 target is 36,000 export successes.

**Measure: Number of Export Successes made as a Result of ITA Involvement**

**Explanation of Measure:** This measure is similar to the "Number of Export Successes made as a Result of ITA Involvement" measure stated above but is cumulative and is reported as a long-term measure. Similarly, this measure captures information on the number of export transactions executed by U.S. firms that resulted directly from Commercial Services' counseling, matchmaking, research, information products, or other export promotion activities. An export success occurs when the Commercial Service: facilitates an actual verifiable export sale, a shipment of goods or delivery of services; helps a client identify and sign with an agent or distributor or sign a contract that ensures the expectation of future sales, where there is a direct link between the assistance provided and the resulting outcome; and helps a U.S. firm avoid harm or loss, for example, by helping it obtain payment or resolve some other kind of trade dispute.

**FY 2011 Target:** The FY 2011 is 75,000 export transactions.

**PROGRAM EVALUATIONS**

During this past year, both the Inspector General and independent auditors reviewed and found discrepancies in collected and reported Commercial Service performance data. The Commercial Service and ITA's Chief Financial Officer, as directed by the Inspector General, initiated actions to ensure effective performance-measure oversight through close coordination with staff producing the source data and through ITA's program of independent verification and validation reviews as described below. The Inspector General completed an extensive review of operations in China, and ITA is in the process of implementing corrective actions in relevant locations in China.

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**Independent Verification and Validation (IV&V) Reviews** – In FY 2006, ITA's Planning and Performance Management Staff, in conjunction with staff producing the source data (ITA program "Measure Owners"), conducted IV&V reviews of selected performance measures. This included reviews in ITA's Commercial Service program, including on-site reviews in London and Atlanta, and a detailed review of the Commercial Service's export transaction measure completed in conjunction with Commerce staff. These reviews enabled ITA to verify source measure data that expresses progress toward achieving ITA's strategic goals.

**ITA Survey Results** – ITA conducted its second tri-annual ITA-wide customer satisfaction survey in the spring of 2006. The survey evaluated the overall program success and the portfolio of ITA's services by:

1. Benchmarking ITA against other federal government agencies;
2. Testing the validity of ITA's operating model;
3. Identifying quality of service concerns;
4. Showing which aspects of service have the greatest effect on satisfaction; and
5. Identifying recommended adjustments.

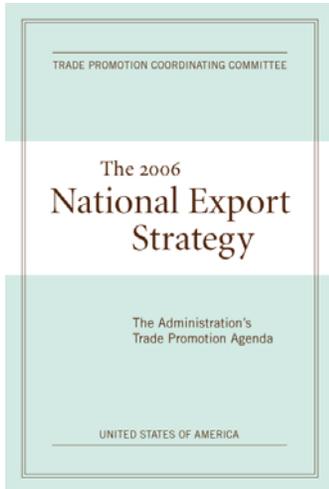
ITA hired an external contractor, the CFI Group to use their patented methodology to conduct the survey to ensure the integrity of the analysis and the anonymity of the customer responses. The 2006 ITA-wide customer survey confirmed that ITA is meeting the needs of its customers, with satisfaction equal to that measured in the 2003 survey. The survey showed that ITA's customers are primarily small and medium-sized enterprises, the largest portion (40 percent) of who are manufacturers. ITA's customers represent a broad range of industries and are often experienced exporters, with over a quarter of customers getting a majority of their revenue from exports. Customers are most satisfied with the assistance received to resolve transaction specific problems in a foreign country and with the special/niche Import Administration programs that ITA administers. Customers value their interactions with ITA staff and find them knowledgeable about foreign markets, though they would like to see ITA have more specific industry knowledge across the organization. Customer service remains strong, with scores slightly down from 2003, which makes continuing a strong customer service relationship an important area of focus. It will be important for ITA to understand that its customers exist at the organizational level and work to improve cross program unit coordination to increase customer satisfaction over time. Based on the survey findings, ITA and CS staff developed an action plan to address key customer service and satisfaction drivers.

**CROSS-CUTTING ACTIVITIES**

**Intra-Department of Commerce**

- Office of General Counsel (OGC) – The Commercial Service and OGC work together to prepare guidance for interpreting existing trade related agreements, to define the rights of U.S. firms and workers under U.S. and international trade law, and to support negotiations for proposed FTAs and future bilateral or multilateral agreements.

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**Other Government Agencies**

- Small Business Administration, Export-Import Bank, state and local government agencies, and local Chambers of Commerce share clients and provide complementary counseling services.
- Department of Energy, Department of Transportation, and Department of Education provide industry expertise for ITA trade events.
- The Department of Defense and the U.S. Air Force provide industry expertise for ITA trade events involving aircraft sales (for example, the Paris Air Show).
- The Department of State's economic officers assist with market research projects in countries where the Commercial Service does not maintain staff.
- The Department of Labor works with ITA on worker training and employment issues.
- The Environmental Protection Agency works with ITA to lower the burden of regulations on the U.S. industry.
- The Department of Agriculture provides grant assistance for Commercial Service export counseling in rural areas.
- The Bureau of Indian Affairs in the Department of the Interior provides industry expertise for ITA tourism development efforts.
- The Trade Promotion Coordinating Committee, mandated by Congress and chaired by the U.S. Secretary of Commerce, coordinates the trade finance and trade promotion programs of the 19 member agencies and develops and implements the National

Export Strategy. (<http://www.ita.doc.gov/media/Publications/pdf/nes2006FINAL.pdf>)

**Government/Private Sector**

District Export Councils (DECs) are councils of leaders from the local business community, appointed by the Secretary of Commerce, whose knowledge of international business provides a source of professional advice and support for local firms and the local ITA export assistance centers. Currently there are 57 DECs composed of more than 1,500 members. DEC members provide experienced professional advice and guidance to exporting firms.

**External Factors and Mitigation Strategies:**

ITA's success in achieving this goal is impacted by domestic and international economic conditions. Economic shocks in foreign markets, and exchange rate fluctuations, can affect U.S. exports and demand for U.S. products.

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**Performance Goal 3: Identify and Resolve Unfair Trade Practices**

**Corresponding DOC Strategic Goal:**

DOC Strategic Goal 1: Provide the information and tools to maximize U.S. competitiveness and enable economic growth for American industries, workers, and consumers

DOC Objective 1.2: Advance responsible economic growth and trade while protecting American security

**Rationale for ITA Performance Goal 3:**

U.S. industries are entitled to the benefits of trade agreements negotiated by the United States. They are also entitled to the aggressive investigation of unfair trade practices that undercut those agreements. The Import Administration (IA) and Market Access and Compliance (MAC) programs in ITA are committed to ensuring that U.S. firms receive those benefits and obtain prompt relief from unfair trade practices.

Dumping and the provision of certain government subsidies have been condemned by the international community as reflected in the General Agreement on Tariffs and Trade (GATT) and subsequently in the World Trade Organization (WTO) Agreement. IA's administration of the United States' Anti-Dumping/Countervailing Duty (AD/CVD) laws and its subsidy-enforcement activities provide U.S. companies with appropriate remedies to address unfairly traded imports consistent with U.S. law and our international obligations. The agency's work at the WTO helps ensure that access to these needed remedies is not weakened or undermined. In addition, IA's assistance to U.S. exporters subject to foreign AD/CVD proceedings helps ensure these companies receive fair treatment in proceedings that adhere to that country's obligations under the WTO. Further, the Steel Import Monitoring and Analysis system was designed to provide U.S. steel producers and users with important real-time market information in an area that has traditionally been subject to market disruptions and unfair trade in a manner consistent with the United States' WTO obligations regarding import licensing.

IA identifies and monitors import surges created by imports that are sold in the United States at less than fair market value, foreign governments' subsidy practices, and other harmful import trends. It defends American industry against injurious trade practices by administering the AD/CVD laws of the United States. IA expedites investigations when warranted by import surges and foreign subsidy practices, defends unfair trade practices before the WTO, and coordinates the Department of Commerce's role in the Administration's steel strategy. IA's Unfair Trade Practices Team confronts unfair foreign competition by monitoring economic data from U.S. global competitors and investigates evidence of unfair subsidization and production distortions. IA's China Compliance office devotes resources to China cases and issues unique to non-market economies, such as intellectual property rights violations affecting the U.S. textile industry.

Trade compliance with negotiated trade agreements and access to foreign markets are existing problems faced by U.S. businesses that choose to sell their products overseas. MAC ensures market access for Americans, advances the rule of law internationally, and creates a fair, open, and predictable trading environment. In addition, the MAC program conducts critical trade policy analysis and negotiation support for the USTR and represents the Department in trade-related dealings with other U.S. government agencies.

MAC uses a range of techniques to advocate on behalf of U.S. business and intervene with other governments to ensure foreign compliance with existing trade agreements and to eliminate trade barriers. Trade-agreement compliance and foreign trade barriers have been a continuous problem for U.S. exporting firms, large and small. Many companies, especially small and medium-sized firms, do not have the resources, knowledge or leverage to influence foreign governments, their laws and

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regulatory regimes. Based on customer need, MAC has a sizeable caseload each year from U.S. firms that have encountered a trade barrier. In FY 2005, MAC initiated 163 cases from U.S. industries and concluded 123.

Government-to-government representation is often required to influence and shape trade policies developed by foreign governments so the policies do not become impediments to U.S. access to their markets. The MAC program addresses the specific problem of helping U.S. firms become more aware of their rights and benefits under all trade agreements (bilateral, regional or multilateral) signed by the United States, and to ensure that they encounter a level playing field when they enter a foreign market. MAC monitors or oversees the monitoring of over 250 trade agreements.

**ANNUAL MEASURES**

**Measure: Percentage of AD/CVD proceedings completed within statutory deadlines**

**Explanation of Measure:** The percentage of AD/CVD cases completed on time is a reflection of the vigilance of IA staff to complete its casework within the statutory timeframe. Domestic industry generates AD/CVD cases, and the timeliness of case activity is a critical factor for delivering customer satisfaction. Timeliness of casework is also essential for upholding the integrity of the AD/CVD laws as a credible and fair legal mechanism to address unfair trade actions by foreign interests. The stated target reflects management's prioritization of adherence to statutory requirements. ITA is required to complete these cases within the time limits set forth in law.

Domestic products covered by AD/CVD investigations and reviews are critical to U.S. industries. The timely completion of these cases may have a direct correlation to the ability of petitioning U.S. firms to remain viable when a firm may be subjected to unfair trading practices. Ensuring expedient completion of cases offers firms the best timeframe for determining if they are being injured by an unfair trading practice

**FY 2008 Target:** The target of 100 percent is based on the data maintained by Import Administration. The planned target reflects the percentage of 100 percent AD/CVD cases to be completed by the unit.

**Measure: Number of Market Access and Compliance Cases Initiated**

**Explanation of Measure:** ITA faces new demands as the international trade environment changes from year to year: new barriers are erected, the role of international organizations and alliances change and other foreign regulatory measures are implemented that impact U.S. exports. This measure assesses the extent of ITA's efforts to monitor trade agreements, identify and initiate market access and compliance cases on behalf of U.S. businesses, and work to their resolution. Market access cases arise from complaints received by ITA from U.S. companies encountering overseas barriers to U.S. exports, which are not covered by trade agreements. Compliance cases rise from complaints received by ITA from U.S. companies regarding failures by foreign governments to implement trade agreements negotiated by the U.S. and through monitoring efforts by ITA compliance officers.

**FY 2008 Target:** The target of 160 cases is based on the actual number of cases initiated during FY 2006.

**Measure: Number of Market Access and Compliance Cases Concluded**

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**Explanation of Measure:** This measure addresses ITA's efforts in obtaining market access for U.S. exporters and achieving foreign-government compliance with trade agreements. The number of market access and compliance cases concluded is based on the number of cases processed by ITA where no further action by ITA is warranted: the case is successfully resolved; the complaint was groundless (i.e., no violation); industry decides not to pursue the complaint; the case is referred to U.S. Trade Representative for consideration, or the problem cannot be resolved despite ITA efforts. Market access cases arise from complaints received by ITA from U.S. companies experiencing overseas barriers to U.S. exports that are not covered by trade agreements. Compliance cases arise from complaints received by ITA from U.S. companies regarding failures by foreign governments to implement specific terms in trade agreements negotiated by the U.S. and through monitoring efforts by ITA compliance officers.

**FY 2008 Target:** The FY 2008 target of 120 cases concluded is based on the actual number of cases concluded during FY 2006.

**Measure: Percentage of Market Access and Compliance Cases Initiated on Behalf of Small and Medium-Sized Businesses**

**Explanation of Measure:** This measure gauges the number of small and medium-sized businesses experiencing problems with trade barriers that are served by ITA in a given year. This measure also determines the number of businesses affected by trade barriers versus the total number of cases initiated in a given fiscal year (the total number of market access and compliance cases initiated in a given fiscal year where the complainant is a small or medium-sized business).

**FY 2008 Target:** The FY 2008 target is 30%.

**Measure: Percentage of Market Access and Compliance Cases Resolved Successfully (reduction or elimination of the market barrier)**

**Explanation of Measure:** This measure is a subset of the total number of market access and compliance cases resolved. A success is determined via collaborative effort between the MAC team working on the case and the company/industry that initiated the case. Examples of successes include: prompting a country to remove or suspend a trade barrier; ensuring U.S. concerns are incorporated into a trade agreement or foreign regulation; and prompting a foreign government to adopt an internationally recognized standard or legal statute that either encourages fair trade or prevents restrictive trade barriers.

**FY 2008 Target:** The FY 2008 target is 25% per quarter.

**LONG-TERM MEASURES**

**Measure: Percentage of AD/CVD proceedings completed within statutory deadlines**

**Explanation of Measure:** This measure is similar to the annual measure but is reported as a long-term measure. Similarly, the percentage of AD/CVD cases completed on time is a reflection of the vigilance of IA staff in completing its casework within the statutory timeframe. Domestic industry generates AD/CVD cases, and the timeliness of case activity is a critical factor for delivering customer satisfaction. The timeliness of casework is also essential for upholding the integrity of the AD/CVD laws as a credible and fair legal mechanism to address unfair trade actions by foreign interests. The stated target reflects management's prioritization of adherence to statutory requirements. ITA must always complete these cases within the limits set forth in law.

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Domestic products covered by these AD/CVD investigations and reviews are critical to U.S. industries. The timely completion of these cases may have a direct correlation to the ability of petitioning U.S. firms to remain viable when a firm may be subjected to unfair trading practices. Ensuring expedient completion of cases offers firms the best timeframe for determining if they are being injured by an unfair trading practice.

**FY 2011 Target:** The target reflects the percentage of AD/CVD cases to be completed by the unit and is 100 percent.

**Measure: Percentage of Market Access and Compliance Cases Initiated on Behalf of Small and Medium-Sized Businesses**

**Explanation of Measure:** This measure is similar to the annual measure but is reported as a long-term measure. Similarly, the purpose of this measure is to gauge the number of small and medium-sized businesses experiencing problems with trade barriers that are served by ITA in a given year. This measure also determines the number of businesses affected by trade barriers versus the total number of cases initiated in a given fiscal year (the total number of market access and compliance cases initiated in a given fiscal year where the complainant is a small or medium-sized business).

**FY 2011 Target:** The FY 2008 target is 30%.

**Measure: Percentage of Market Access and Compliance Cases Resolved Successfully (reduction or elimination of the market barrier)**

**Explanation of Measure:** This measure is similar to the annual measure but is reported as a long-term measure. Similarly, this measure is a subset of the total number of market access and compliance cases resolved. The team working on the case in collaboration with the company/industry that initiated the case determines a success. Examples of successes include: prompting a country to remove or suspend a trade barrier; ensuring that U.S. concerns are incorporated into a trade agreement or foreign regulation; and prompting a foreign government to adopt an internationally recognized standard or legal statute that either encourages fair trade or prevents restrictive trade barriers. This measure gauges the effectiveness of the organization's efforts to remove foreign-trade barriers (or prevent their implementation) on behalf of U.S. industry.

**FY 2011 Target:** The FY 2008 target is 25% per quarter.

**PROGRAM EVALUATIONS: IMPORT ADMINISTRATION**

Within the past five years, IA was referenced in several independent cross-agency GAO studies on monitoring and enforcement and the Commerce Department's Inspector General completed one IA-specific survey on statutory deadlines and reviews. The Inspector General studies included specific program improvement recommendations (described below). In addition, IA participated in an ITA-wide customer survey to assess IA's effectiveness and to improve its programs.

IA conducts internal reviews to enhance the performance of its programs with respect to customer service, development of expertise, use of effective information management and timeliness. For example, IA is enhancing its information management and analytical methods by working with Customs Border Patrol on the International Trade Data System, which will enable IA to expand its capacity to perform analysis and aid in the issuance of AD/CVD instructions to the Customs Border Patrol. Additionally, IA published *Federal Register* notices requesting public comments on unfair trade practices, the steel import licensing system and on the non-market economy methodologies applied by IA to ensure agency responsiveness to public concerns and to provide for transparency of IA's activities.

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The IG recommended that IA focus on management control processes, procedures, training needs, and technology enhancements. IA is implementing the January 2005 IG findings by upgrading internal management tools used to manage reviews. In addition, IA intends to issue a public clarification of its longstanding practice that a statutory deadline for both AD and CVD administrative reviews that fall on a weekend or legal holiday will be issued on the following business day. Lastly, in 2004, IA and the Office of the Chief Information Officer procured a software system to address their collective document management and web-content management needs. The system is fully operational at present.

**Independent Verification and Validation (IV&V) Reviews** – In FY 2006, ITA's Planning and Performance Management Staff, in conjunction with ITA Program "Measure Owners," conducted IV&V Reviews of selected performance measures. These reviews enabled ITA to verify source measure data that expresses progress toward achieving ITA strategic goals. ITA worked with IA to sample and assess key performance data contained in IA's AD/CVD case database and determined that source data and data systems are accurate and that the system has adequate controls and safeguards.

**ITA Survey Results** - ITA conducted its second tri-annual ITA-wide customer satisfaction survey in the spring of 2006. The survey evaluated the overall program success and the portfolio of ITA's services by:

1. Benchmarking ITA against other federal government agencies;
2. Testing the validity of ITA's operating model;
3. Identifying quality of service concerns;
4. Showing which aspects of service have the greatest effect on satisfaction; and
5. Identifying recommended adjustments.

ITA hired an external contractor, the CFI Group, to use their patented methodology to conduct the survey to ensure the integrity of the analysis and the anonymity of the customer responses. The 2006 ITA-wide customer survey confirmed that ITA is meeting the needs of its customers, with satisfaction equal to that measured in the 2003 survey. The survey showed that ITA's customers are primarily small and medium-sized businesses, the largest portion (40 percent) of who are manufacturers. ITA's customers represent a broad range of industries and are often experienced exporters, with over a quarter of customers getting a majority of their revenue from exports. Customers are most satisfied with the assistance received to resolve transaction specific problems in a foreign country and with the special/niche Import Administration programs that ITA administers. Customers value their interactions with ITA staff and find them knowledgeable about foreign markets, though they would like to see ITA have more specific industry knowledge across the organization. Customer service remains strong, with scores slightly down from 2003, which makes continuing a strong customer service relationship an important area of focus. It will be important for ITA to understand that its customers exist at the organizational level and to work to improve cross program unit coordination to increase customer satisfaction over time. Based on the survey findings, ITA and IA staff have identified and developed an action plan intended to address key customer service and satisfaction drivers.

**PROGRAM EVALUATIONS: MARKET ACCESS AND COMPLIANCE**

Within the past five years, MAC participated in five cross-agency GAO studies on monitoring and enforcement and one MAC-specific Inspector General report on the Trade Compliance Center. In addition, MAC participated in an ITA-wide customer survey to assess customer satisfaction with MAC's products and services. These studies highlighted MAC's strengths and identified areas for development, such as increased compliance coordination throughout ITA and across trade agencies and the development of an action plan to improve case tracking. MAC addressed all recommendations.

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**Independent Verification and Validation (IV&V) Reviews** - In FY 2006, ITA's Planning and Performance Management Staff, in conjunction with ITA Program "Measure Owners," have conducted IV&V Reviews of selected performance measures. This included reviews in ITA's MAC program. In the spirit of the President's Management Agenda, these reviews have enabled ITA to verify source measure data that expresses progress toward achieving ITA strategic goals. ITA worked with MAC to sample and assess key performance data sources and determined that source data and data systems are accurate and that there is no double reporting of source information for MAC casework.

**ITA-Wide Customer Satisfaction Survey** - ITA conducted its second tri-annual ITA-wide customer satisfaction survey in the spring of 2006. The survey evaluated the overall program success and the portfolio of ITA's services by:

1. Benchmarking ITA against other federal government agencies;
2. Testing the validity of ITA's operating model;
3. Identifying quality of service concerns;
4. Showing which aspects of service have the greatest effect on satisfaction; and
5. Identifying recommended adjustments.

ITA hired an external contractor, the CFI Group to use their patented methodology to conduct the survey to ensure the integrity of the analysis and the anonymity of the customer responses. The 2006 ITA-wide customer survey confirmed that ITA is meeting the needs of its customers, with satisfaction equal to that measured in the 2003 survey. The survey showed that ITA's customers are primarily small and medium enterprises, the largest portion (40 percent) of who are manufacturers. ITA's customers represent a broad range of industries and are often experienced exporters, with over a quarter of customers getting a majority of their revenue from exports. Customers are most satisfied with the assistance received to resolve transaction specific problems in a foreign country and with the special/niche Import Administration programs that ITA administers. Customers value their interactions with ITA staff and find them knowledgeable about foreign markets, though they would like to see ITA have more specific industry knowledge across the organization. Customer service remains strong, with scores slightly down from 2003, which makes continuing a strong customer service relationship an important area of focus. It will be important for ITA to understand that its customers exist at the organizational level and work to improve cross program unit coordination to increase customer satisfaction over time. Based on the survey findings, ITA and MAC staff have identified and developed an action plan intended to address key customer service and satisfaction drivers.

**Program Assessment Rating Tool (PART) Reviews** – During FY 2005, ITA worked with OMB to complete PART reviews of both the IA and MAC programs. Results from these PART reviews assisted both programs to gauge their strategic planning efforts and to improve their performance metrics.

The MAC program used the PART review to spur the development of improved outcome-oriented measures. MAC scored a 58, which is rated as adequate. The IA PART review did not demonstrate results and identified the need for IA to develop impact and result measures, both long-term and annual, for its AD/CVD program before it could effectively demonstrate results. These IA annual and long-term measures will be in place for initial rollout during FY 2007. Measures under the AD/CVD program must be developed carefully since the program must operate within the confines of the AD/CVD regulations, the enabling law and under the terms of the WTO subsidy-agreement framework.

**Intra-Department of Commerce**

- Office of General Counsels to work together on guidance for interpreting existing agreements.

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**Other Government Agencies**

- United States Trade Representative - ITA works with the USTR to develop strategies for solving market access disputes and in major trade negotiations.
- International Trade Commission - to conduct AD/CVD investigations and the International Trade Commission concurrently conducts the industry injury investigations. If both ITA's and the International Trade Commission's investigations result in affirmative determination, then ITA issues an AD/CVD order to the U.S. Customs Service, which results in a tariff rate adjustment.
- U.S. Customs and Border Protection (CBP) - the AD/CVD law requires collection of offsetting duties at the time merchandise enters the country, ITA communicates regularly with the CBP to ensure the prompt and accurate implementation of ITA's decisions. The CBP then collects cash deposits and final duty assessments. ITA responds to inquiries from the CBP headquarters and port offices regarding the scope and potential evasion of AD/CVD orders, as well as other enforcement concerns.
- Treasury Department - to monitor subsidy-related commitments contained in the International Monetary Fund's stabilization packages.
- Department of State – on AD/CVD proceedings to verify information provided by foreign governments and companies in those countries. ITA works closely with the Department of State to obtain country clearances, arrange meetings, make necessary trip arrangements, and obtain pertinent information on subsidy enforcement issues. ITA works on a daily basis with U.S. embassies abroad and State Department economic officers.
- Department of Justice - on pending AD/CVD litigation before the Court of International Trade and the Court of Appeals for the Federal Circuit.

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***Data Validation and Verification***

ITA uses PBViews®, a network-based performance-management data reporting software system to integrate the performance management approach into ITA's day-to-day operations and annual planning cycle. Every performance measure has a designated measure owner who gathers data and validates collected information; maintains individual measure documentation; leads cross-organizational coordination of data collection; performs quality control, including error checking and elimination of duplicates; and acts as program unit point of contact. Individual program unit managers are held accountable for the quality of the data that their staff collects and the timeliness with which the data is input into the system. Every quarter, the ITA's Strategic Planning Leadership Team, composed of senior ITA managers, reviews the reports published on PBViews® for data integrity and accomplishments, and recommends corrective actions as necessary. This peer review approach also serves as a validation process of whether data are appropriate for the performance measures.

<b>PERFORMANCE MEASURE</b>	<b>DATA SOURCE</b>	<b>FREQUENCY</b>	<b>DATA STORAGE</b>	<b>INTERNAL CONTROL PROCEDURES</b>	<b>DATA LIMITATIONS</b>
Total Cost Savings Resulting from the Adoption of MAS Recommendations Contained in MAS Studies and Analysis	MAS Analytical Reports and Studies	Annual	PBViews®	CFO staff will perform analysis to verify results and data sources	A number of factors, including U.S. business cooperation, global trade trends, political developments, and other federal regulatory agencies may impact the actual numbers.
Percent of agreement milestones completed	MAS Sector Analysts	Annual	PBViews®	CFO staff will perform analysis to verify results and data sources	These agreement milestones are occasionally subject to externalities such as delays in trade meetings with foreign governments.
Percent reduction in per unit cost of data distribution	MAS Planning Staff	Annual	PBViews®	CFO staff will perform analysis to verify results and data sources	None
Percent of Industry-Specific Trade Barrier Milestones Completed.	MAS Sector Analysts	Annual	PBViews®	CFO staff will perform analysis to verify results and data sources	These industry specific trade barrier milestones are occasionally subject to externalities such as delays in trade meetings with foreign governments.

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<b>PERFORMANCE MEASURE</b>	<b>DATA SOURCE</b>	<b>FREQUENCY</b>	<b>DATA STORAGE</b>	<b>INTERNAL CONTROL PROCEDURES</b>	<b>DATA LIMITATIONS</b>
Percent of industry specific trade barriers addressed that were removed or prevented	MAS Sector Analysts	Long-term	PBViews®	CFO staff will perform analysis to verify results and data sources	A number of factors, including U.S. business cooperation, global trade trends, political developments, and the extent to which foreign governments create barriers or act inconsistently with trade obligations (an exogenous factor) will impact the actual numbers.
Total cost savings identified in MAS studies and analyses	MAS Analytical Reports and Studies	Long-term	PBViews®	CFO staff will perform analysis to verify results and data sources	A number of factors, including U.S. business cooperation, global trade trends, political developments, and other federal regulatory agencies may impact the actual numbers.
Percentage of advocacy actions completed successfully	U.S. companies that benefit from U.S. government advocacy	Annually	PBViews®	The Advocacy Center conducts annual verifications with customers to confirm the dollar value of exports generated through the support of U.S. government effort.	In some cases a host government overturns awards, and the winning U.S. company then loses the project. Quality of data is dependent on client's willingness to provide the data. Some clients elect not to provide information to ITA due to business proprietary concerns. U.S. embassies in some instances do not report all advocacy projects they have worked on in a given fiscal year.

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<b>PERFORMANCE MEASURE</b>	<b>DATA SOURCE</b>	<b>FREQUENCY</b>	<b>DATA STORAGE</b>	<b>INTERNAL CONTROL PROCEDURES</b>	<b>DATA LIMITATIONS</b>
Dollar value of U.S. content in successful advocacy cases	Information is reported from the Trade Advocacy Center's database and verified with U.S. firms on annual basis.	Annually	PBViews®	The Advocacy Center conducts annual verifications with customers to confirm the dollar value of exports generated through the support of U.S. government effort.	In some cases a host government overturns awards, and the winning U.S. company then loses the project. Quality of data is dependent on client's willingness to provide the data. Some clients elect not to provide information to ITA due to business proprietary concerns. U.S. embassies in some instances do not report all advocacy projects they have worked on in a given fiscal year.
Number of new-to-export export successes	U.S. exporters	Quarterly	Client Management System and PBViews®	ITA performs quality control, including error checking and elimination of duplicates, and verifies results through peer review of verifiable documentation.	Data reported is wholly dependent on a client's willingness to provide such information and underreporting is likely.
Number of increase-to-market export successes	U.S. firms	Quarterly	Client Management System and PBViews®	ITA performs quality control, including error checking and elimination of duplicates, and verifies results through peer review of verifiable documentation.	Data reported is wholly dependent on a client's willingness to provide such information and underreporting is likely.
Number of new-to-market export success	U.S. exporters	Quarterly	Client Management System	ITA performs quality control, including error checking and elimination of duplicates, and verifies results through peer review of verifiable documentation.	Data reported is wholly dependent on a client's willingness to provide such information and underreporting is likely.

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<b>PERFORMANCE MEASURE</b>	<b>DATA SOURCE</b>	<b>FREQUENCY</b>	<b>DATA STORAGE</b>	<b>INTERNAL CONTROL PROCEDURES</b>	<b>DATA LIMITATIONS</b>
Number of export successes made as a result of ITA Involvement	U.S. exporters	Quarterly	Client Management System and PBViews®	ITA performs quality control, including error checking and elimination of duplicates, and verifies results through peer review of verifiable documentation.	Data reported is wholly dependent on a client's willingness to provide such information and underreporting is likely.
Number of new-to-export export successes	U.S. exporters	Every 5 years (Long-term Measure)	Client Management System and PBViews®	ITA performs quality control, including error checking and elimination of duplicates, and verifies results through peer review of verifiable documentation.	Data reported is wholly dependent on a client's willingness to provide such information and underreporting is likely.
Number of new-to-market export successes	U.S. exporters	Every 5 years (Long-term Measure)	Client Management System and PBViews®	ITA performs quality control, including error checking and elimination of duplicates, and verifies results through peer review of verifiable documentation.	Data reported is wholly dependent on a client's willingness to provide such information and underreporting is likely.
Number of export successes made as a result of ITA involvement	U.S. exporters	Every 5 years (Long-term Measure)	Client Management System and PBViews®	ITA performs quality control, including error checking and elimination of duplicates, and verifies results through peer review of verifiable documentation.	Data reported is wholly dependent on a client's willingness to provide such information and underreporting is likely.
Number of increase-to-market export successes	U.S. exporters	Every 5 years (Long-term Measure)	Client Management System and PBViews®	ITA performs quality control, including error checking and elimination of duplicates, and verifies results through peer review of verifiable documentation.	Data reported is wholly dependent on a client's willingness to provide such information and underreporting is likely.

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<b>PERFORMANCE MEASURE</b>	<b>DATA SOURCE</b>	<b>FREQUENCY</b>	<b>DATA STORAGE</b>	<b>INTERNAL CONTROL PROCEDURES</b>	<b>DATA LIMITATIONS</b>
Percentage of AD/CVD proceedings completed within statutory deadlines	IA cases completed in accordance with the statutory deadline	Quarterly	Data from the AD/CVD Case Management System is stored in the PBViews®.	Each case is supported by final determinations, including Federal Register notices.	None
Number of Market Access and Compliance cases initiated	Petitions from U.S. firms encountering trade barriers and compliance by foreign governments with U.S. negotiated international trade agreements	Quarterly	Data from the ITA compliance activity database maintained by the Trade Compliance Center (TCC) is stored in the PBViews®.	MAC ensures system integrity and performs quality control, including error checking, elimination of duplicate cases reported, and, through peer review, verification of documentation.	A number of factors, including U.S. business cooperation, global trade trends, political developments, and the extent to which foreign governments create barriers or act inconsistently with trade obligations (an exogenous factor) will impact the actual numbers.
Number of Market Access and compliance cases concluded	ITA Compliance and Market Access Management System database, which contains data on U.S. firms encountering foreign trade barriers	Quarterly	Data from the ITA Compliance and Market Access Case Management System is stored in the PBViews® database.	Records support each case and many of the cases have been highlighted in the Commerce Secretary's Monthly Compliance Case Report. MAC ensures the integrity of the ITA-wide Compliance and Market Access Case Management System. The Compliance and Market Access Case Management System is updated daily. Performance data is monitored and certified internally.	Number of cases "concluded" depends on the accurate tracking of case assignment and case disposal.

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<b>PERFORMANCE MEASURE</b>	<b>DATA SOURCE</b>	<b>FREQUENCY</b>	<b>DATA STORAGE</b>	<b>INTERNAL CONTROL PROCEDURES</b>	<b>DATA LIMITATIONS</b>
Percentage of market access and compliance cases initiated on behalf of small and medium-sized businesses	ITA Compliance and Market Access Management System database	Quarterly	PBViews®	Information reported by companies can be checked against public records to verify that the business is a SME.	Relies on accurate reporting by the firm. Private sector complaints and government monitoring efforts largely drive caseload. A number of factors, including U.S. business cooperation, global trade trends, political developments, and the extent to which foreign governments are creating barriers to trade.
Percentage of market access and compliance case resolved successfully (reduction or elimination of the market barriers)	ITA Compliance and Market Access Management System database	Every 5 years (Long-term Measure)	PBViews®	Each month, MAC office managers review case data relevant to their areas in the MAC database.	ITA cannot control the outcome of the measure. In most cases, ITA must persuade a sovereign foreign government to change or remove a law or regulatory standard in order to declare a case a success.
Percentage of AD/CVD cases completed on time	ITA Compliance and Market Access Management System database	Every 5 years (Long-term Measure)	Data from the AD/CVD Case Management System is stored in the PBViews®.	Each case is supported by final determinations including Federal Register notices.	None
Percentage of market access and compliance cases initiated on behalf of small and medium-sized businesses	ITA Compliance and Market Access Management System database	Every 5 years (Long-term Measure)	PBViews®	Information reported by companies can be checked against public records to verify that the business is small-or medium-sized.	Relies on accurate reporting by the firm. Private sector complaints and government monitoring efforts largely drive caseload. A number of factors, including U.S. business cooperation, global trade trends, political developments, and the extent to which foreign governments are creating barriers to trade.

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**Exhibit 5**

**SUMMARY OF RESOURCE REQUIREMENTS: DIRECT OBLIGATIONS  
(Dollar Amounts in Thousands)**

Page No.		Positions	FTE	Direct Obligations	Gross BA	Net BA
	FY 2007 Continuing Resolution	2,293	2,217	400,777	402,025	394,025
	less: Obligations from Prior Years	0	0	(6,752)	0	0
	plus: Adjustments to support level in FY 2007 President's Budget	0	0	14,757	19,757	14,757
	plus: 2008 Adjustments-to-Base	0	0	2,339	2,339	2,339
	FY 2008 Base	0	0	411,121	424,121	411,121
	plus: FY 2008 Program Changes	12	8	1,310	1,310	1,310
	Total FY 2008 Estimate	12	8	412,431	425,431	412,431

Comparison by activity/subactivity		2006 Actual		2007 Currently Available		2008 Base		2008 Estimate		Increase/ (Decrease)	
		Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount
<b>59</b>	Manufacturing and Services										
	Pos./Gross BA	242	46,963	242	47,025	242	49,564	242	49,564	0	0
	Pos./Net BA	242	46,828	242	47,025	242	49,564	242	49,564	0	0
	FTE/Obl.	239	48,640	237	47,073	237	49,564	237	49,564	0	0
	Fees	0	135	0	0	0	0	0	0	0	0
<b>67</b>	Market Access and Compliance										
	Pos./Gross BA	198	41,471	214	39,306	214	41,650	226	42,960	12	1,310
	Pos./Net BA	198	41,436	214	39,306	214	41,650	226	42,960	12	1,310
	FTE/Obl.	199	43,295	209	42,896	209	41,650	217	42,960	8	1,310
	Fees	0	35	0	0	0	0	0	0	0	0
<b>77</b>	Import Administration										
	Pos./Gross BA	337	59,647	384	61,365	384	65,601	384	65,601	0	0
	Pos./Net BA	337	59,366	384	59,365	384	63,601	384	63,601	0	0
	FTE/Obl.	348	60,368	382	59,367	382	63,601	382	63,601	0	0
	Fees	0	281	0	2,000	0	2,000	0	2,000	0	0
<b>89</b>	Trade Promotion and US & Foreign Commercial Service										
	Pos./Gross BA	1,155	229,484	1,301	228,839	1,301	240,702	1,301	240,702	0	0
	Pos./Net BA	1,155	224,164	1,301	222,839	1,301	229,702	1,301	229,702	0	0
	FTE/Obl.	1,149	236,398	1,254	225,951	1,254	229,702	1,254	229,702	0	0
	Fees	0	5,320	0	6,000	0	11,000	0	11,000	0	0
<b>95</b>	Executive Direction/Administration										
	Pos./Gross BA	123	25,612	150	25,490	150	26,604	150	26,604	0	0
	Pos./Net BA	123	25,491	150	25,490	150	26,604	150	26,604	0	0
	FTE/Obl.	122	26,538	135	25,490	135	26,604	135	26,604	0	0
	Fees	0	121	0	0	0	0	0	0	0	0
	<b>TOTALS</b>	2,055	403,177	2,291	402,025	2,291	424,121	2,303	425,431	12	1,310
	Pos./Net BA	2,055	397,285	2,291	394,025	2,291	411,121	2,303	412,431	12	1,310
	FTE/Obl.	2,057	415,239	2,217	400,777	2,217	411,121	2,225	412,431	8	1,310
	Fees		5,892		8,000		13,000		13,000		
	Adjustments for:										
	Recoveries		(15,874)		0		0		0		0
	Unobligated balance, start of year				(7,886)		0		0		0
	Unobligated balance, start of year, transferred from other accounts		(1,150)								
	Unobligated balance, carryover		0		0		0		0		0
	Unobligated balance, expiring		205		0		0		0		0
	Unobligated balance, end of year		6,752		0		0		0		0
	Fees collected		(5,892)		0		0		0		0
	Financing from:										
	Transfers to other accounts		0		0		0		0		0
	Transfers from other accounts		(3,455)		0		0		0		0
	<b>Net Appropriation</b>		393,830		394,025		411,121		412,431		1,310

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**SUMMARY OF RESOURCE REQUIREMENTS: DIRECT OBLIGATIONS**

**United States Travel and Tourism Promotion**

(Dollar Amounts in Thousands)

	Positions	FTE	Budget Authority	Direct Obligations
2007 Currently available	0	0	42	3,991
less: Adjustments to support level in FY 2007 President's Budget	0	0	(42)	(42)
less: Unobligated balance	0	0	0	(3,949)
2008 Base	0	0	0	0
2008 Program Changes	0	0	0	0
2008 Estimate	0	0	0	0

		2006 Actual		2007 Currently Available		2008 Base		2008 Estimate		Increase/(Decrease) over 2008 Base	
		Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount
Comparison by activity/subactivity with totals by activity:											
Travel and Tourism Promotion (MAS)	Pos./BA.	0	3,949	0	42	0	0	0	0	0	0
	FTE/Obl.	0	42	0	3,991	0	0	0	0	0	0
Total	Pos./BA.	0	3,949	0	42	0	0	0	0	0	0
	FTE/Obl.	0	42	0	3,991	0	0	0	0	0	0
Adjustments for:											
Recoveries		0	0	0	0	0	0	0	0	0	0
Unobligated balance, start of year		0	(119)	0	(3,949)	0	0	0	0	0	0
Unobligated balance, transferred		0	0	0	0	0	0	0	0	0	0
Unobligated balance, end of year		0	3,949	0	0	0	0	0	0	0	0
Rescission		0	0	0	0	0	0	0	0	0	0
Unobligated balance expiring		0	77	0	0	0	0	0	0	0	0
Financing from transfers:											
Transfer from other accounts (-)		0	0	0	0	0	0	0	0	0	0
Transfers to other accounts (+)		0	0	0	0	0	0	0	0	0	0
Appropriation		0	3,949	0	42	0	0	0	0	0	0

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**Exhibit 5**

**SUMMARY OF RESOURCE REQUIREMENTS  
Grants to Manufacturers of Worsted Wool  
(Dollar Amounts in Thousands)**

	Positions	FTE	Budget Authority	Direct Obligations
2007 Currently available	0	0	5,332	5,332
2008 Adjustments-to-Base	0	0	0	0
2008 Base	0	0	5,332	5,332
2008 Program Changes	0	0	0	0
2008 Estimate	0	0	5,332	5,332

		2006 Actual		2007 Currently Available		2008 Base		2008 Estimate		Increase/(Decrease) over 2008 Base	
Comparison by activity/subactivity with totals by activity:	Pos./BA. FTE/Obl.	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount
Worsted Wool	Pos./BA.	0	5,332	0	5,332	0	5,332	0	5,332	0	0
	FTE/Obl.	0	10,664	0	5,332	0	5,332	0	5,332	0	0
Total	Pos./BA.	0	5,332	0	5,332	0	5,332	0	5,332	0	0
	FTE/Obl.	0	10,664	0	5,332	0	5,332	0	5,332	0	0
Adjustments for:											
Recoveries		0	0	0	0	0	0	0	0	0	0
Unobligated balance, start of year		0	(5,332)	0	0	0	0	0	0	0	0
Unobligated balance, transferred		0	0	0	0	0	0	0	0	0	0
Unobligated balance, end of year		0	0	0	0	0	0	0	0	0	0
Rescission		0	0	0	0	0	0	0	0	0	0
Unobligated balance rescission		0	0	0	0	0	0	0	0	0	0
Financing from transfers:											
Transfer from other accounts (-)		0	(5,332)	0	(5,332)	0	(5,332)	0	(5,332)	0	0
Transfers to other accounts (+)		0	0	0	0	0	0	0	0	0	0
Appropriation		0	0	0	0	0	0	0	0	0	0

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**Exhibit 7**

**SUMMARY OF FINANCING**

(Dollar Amounts in Thousands)

	2006		2007		2008		2008		Increase/ (Decrease)	
	Actual	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount
Total Obligations	2,085	429,665	2,242	417,277	2,242	432,621	2,250	433,931	8	1,310
Financing:										
Offsetting collections from:										
Federal funds	(28)	(8,534)	(25)	(8,500)	(25)	(8,500)	(25)	(8,500)	0	0
Trust funds		0		0		0		0	0	0
Non-Federal funds, fee collections		(5,892)		(8,000)		(13,000)		(13,000)	0	0
Recoveries		(15,874)		0		0		0	0	0
Unobligated balance, start of year		(7,886)		(6,752)		0		0	0	0
Unobligated balance, transfer		(1,150)		0		0		0	0	0
Unobligated balance, expiring		205		0		0		0	0	0
Unobligated balance, end of year		6,752		0		0		0	0	0
Net Budget Authority	2,057	397,285	2,217	394,025	2,217	411,121	2,225	412,431	8	1,310
Financing:										
Transferred to other accounts	0	0	0	0	0	0	0	0	0	0
Transferred from other accounts	0	(3,455)	0	0	0	0	0	0	0	0
Appropriation	2,057	393,830	2,217	394,025	2,217	411,121	2,225	412,431	8	1,310

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**Exhibit 8**

OPERATIONS AND ADMINISTRATION  
Adjustments-To-Base  
(Dollar amounts in thousands)

<u>Adjustments:</u>	<u>FTE</u>	<u>Amount</u>
<b><u>Other Changes:</u></b>		
2007 Pay Raise	0	1,043
2008 Pay Raise	0	4,309
Payment to the Working Capital Fund	0	301
Two More Compensable Day	0	1,543
Civil Service Retirement System (CSRS)	0	(425)
Federal Employees Retirement System (FERS)	0	806
Thrift Saving Plan (TSP)	0	120
Federal Insurance Contributions Act (FICA)- OASDI	0	105
Health Insurance	0	786
Employee's Compensation Fund	0	37
Travel: Mileage	0	28
Rental Payments to GSA	0	375
Other Services: Working Capital Fund	0	846
CBS (bureau specific)	0	1,043
Capital Security Cost Sharing Program(CSCSP)	0	(6,201)
Overseas Wage Increases FY 2008	0	415
Overseas Price Increases FY 2008	0	351
General Pricing Level Adjustment:		
Transportation of Things	0	22
Rent Payments to Others	0	328
Communications, Utilities, and Misc.	0	2
Other Services	0	390
Supplies and Materials	0	47
Equipment	0	65
Postage	0	43
Printing and Reproduction	0	9
NARA	0	1
International Cooperative Administrative Support Services (ICASS)	0	394
Military Pouch Service	0	13
Subtotal, Other Cost Changes	0	6,796
Less Amount Absorbed		(4,557)
<b>Total, Adjustments to Base</b>		2,339

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**Exhibit 9**

**JUSTIFICATION OF THE ADJUSTMENTS TO BASE**

<u>Adjustments:</u>	<u>FTE</u>	<u>Amount (in Thousands)</u>
Plus: 2008 adjustments to base:		
<u>Other Changes:</u>		
<u>Pay Raises</u>	0	5,653
Full-year cost of 2007 pay increase and related costs:		
The 2007 President's budget assumes a pay raise of 2.2% effective January, 2007		
Total cost in 2008 of 2007 pay raise		4,173,333
Less amount funded in 2007		(3,130,000)
Less amount absorbed		0
Amount requested in 2008 to provide full-year costs of 2007 pay increase		1,043,333
A general pay raise of 3.0% is assumed to be effective January 1, 2008		
Total cost of 2008 of pay increase		4,309,000
Payment to Working Capital Fund		301,000
2008 Pay Raise		4,610,000
<b>Total, adjustment for 2007 and 2008 pay raises</b>		<b>5,653,333</b>

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<u>Adjustments:</u>	<u>FTE</u>	<u>Amount (in Thousands)</u>
<p><u>Two More Compensable Days in FY 2008</u></p> <p>The increased cost of two more compensable days in 2008 compared to 2007 is calculated by dividing the 2007 estimated personnel compensation (\$172,818,000) and applicable benefits (\$27,772,000) by 260 compensable days. The cost increase of two more compensable days is \$1,543,000.</p>	0	1,543
<p><u>Civil Service Retirement System (CSRS)</u></p> <p>The number of employees covered by the Civil Service Retirement System (CSRS) continues to drop as positions become vacant and are by employees who are covered by the Federal Employees Retirement System (FERS). The estimated percentage of payroll for employees covered by CSRS will drop from 18.5% in 2007 to 14.8% in 2008 for regular employees and from 20.4% to 16.3% for Foreign Service employees. Contribution rates will be 7.00% for regular employees and 7.25% for Foreign Service employees.</p> <p style="margin-left: 40px;">Regular:</p> <p style="margin-left: 40px;">2008 \$123,505,797 X .148 X .0700</p> <p style="margin-left: 40px;">2007 \$123,505,797 X .185 X .0700</p> <p style="margin-left: 40px;">Subtotal</p> <p style="margin-left: 40px;">Foreign Service:</p> <p style="margin-left: 40px;">2008 \$35,480,932 X .163 X .0725</p> <p style="margin-left: 40px;">2007 \$ 35,480,932 X .204 X .0725</p> <p style="margin-left: 40px;">Subtotal</p> <p><b>Total Adjustment-to-Base</b></p>	0	(425)
		1,279,520
		<u>1,599,400</u>
		(319,880)
		419,296
		<u>524,763</u>
		(105,467)
		<b>(425,347)</b>

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**Adjustments:**

**Federal Employees Retirement System (FERS)**

The number of employees covered by FERS continues to rise as employees covered by CSRS leave and are replaced by employees covered by FERS. The estimated percentage of payroll for employees covered by FERS will rise from 81.5% in 2007 to 85.2% in 2008 for regular and from 79.6% to 83.7% for Foreign Service employees. The contribution rate will be 11.2% in 2008 for regular employees. For Foreign Service employees, the contribution rate will be 20.22% in 2008.

Regular:

2008 \$123,505,797 X .852 X .112	11,785,417
2007 \$123,505,797 X .815 X .112	<u>11,273,609</u>
Subtotal	511,808

Foreign Service:

2008 \$35,480,932 X .837 X .2022	6,004,843
2007 \$35,480,932 X .796 X .2022	<u>5,710,699</u>
Subtotal	294,144

**Total Adjustment-to-Base**

**805,952**

**Thrift Savings Plan (TSP)**

The cost of ITA's contributions to the Thrift Savings Plan will also rise as FERS participation increases. The contribution rate is expected to remain at 2%.

Regular:

2008 \$123,505,797 X .852 X .02	2,104,539
2007 \$123,505,797 X .815 X .02	<u>2,013,144</u>
Subtotal	91,395

Foreign Service:

2008 \$35,480,932 X .837 X .02	593,951
2007 \$35,480,932 X .796 X .02	<u>564,856</u>
Subtotal	29,095

**Total Adjustment-to-Base**

**120,490**

<u>FTE</u>	<u>Amount (in Thousands)</u>
0	806

0	120
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	<u>FTE</u>	<u>Amount (in Thousands)</u>
<b><u>Adjustments:</u></b>		
<b><u>Federal Insurance Contribution Act (FICA)</u></b>	0	105
As the percentage of payroll covered by FERS rises, the cost of Old Age Survivor and Disability Insurance (OASDI) contributions will increase. In addition, the maximum salary subject to OASDI tax will increase from \$96,150 in 2007 to \$102,300 in 2008. The contribution rate will remain 6.2% in 2008.		
Regular:		
2008 \$123,505,797 X .852 X .9550 X.062		6,230,487
2007 \$123,505,797 X .815 X .9880 X.062		<u>6,165,859</u>
Subtotal		64,628
Foreign Service:		
2008 \$35,480,932 X .837 X .8920 X.062		1,642,393
2007 \$35,480,932 X .796 X .9140 X .062		<u>1,600,464</u>
Subtotal		41,929
Other than Permanent; Regular Salaries		
2008 \$519,460 X .9550 X .062		30,757
2007 \$519,460 X .988 X .062		<u>31,820</u>
Subtotal		(1,063)
<b>Total Adjustment-to-Base</b>		<b>105,494</b>
 <u>Health Insurance</u>	 0	 786
Effective January 2006, ITA's contribution to Federal employees' health benefits increased by 6.9%. Applied against the 2007 estimate of \$11,390,000, the additional amount required is \$785,910.		
<u>Employees Compensation Fund</u>	0	37
The Employee's Compensation Fund bill for the year ending June 30, 2006 is estimated to be \$37,000 higher than the bill for June 30, 2005. The lower charges will be reimbursed to the Department of Labor pursuant to 5 U.S.C. 8147.		
<u>Travel (Mileage)</u>	0	28
The reimbursable rate for the use of a privately-owned automobile increased from 40.5 cents to 44.5 cents, a 9.9% rate increase. This percentage was applied to the FY 2007 estimate of \$283,550 to arrive at an increase of \$28,071.		
<u>Rental Payments to GSA</u>	0	375
GSA rates are projected to increase 2.4% in 2008. This percentage was applied to the 2007 estimate of \$15,616,120 to arrive at an increase of \$374,787.		

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<u>Adjustments:</u>	<u>FTE</u>	<u>Amount (in Thousands)</u>
<u>Working Capital Fund</u> An increase of \$846,000 is required to fund cost increases in the Department's Working Capital Fund to maintain the current level of operations.	0	846
<u>Commerce Business System (CBS)</u> An increase of \$1,043,000 is required to fund ITA's migration to the CBS accounting system.	0	1,043
<u>Capital Security Cost Sharing (CSCS) Program</u> ITA has 146 offices in 80 countries overseas. The majority of the offices are located in U.S. Consulates and Embassies. The Department of State plans to build 155 new embassy compounds over a 14-year period for a total of \$17.5 billion. Under the Capital Security Cost Sharing (CSCS) program, the Department of State charges agencies represented in these compounds on a per capita basis. The Commercial Service's share for FY 2008 will be approximately \$18.4 million, a decrease of \$2.3 million below levels supported by the FY 2007 President's Budget. The CSCS charges are projected by the Department of State to increase to approximately \$40.8 million by FY 2010, and remain steady at that amount through FY 2018. Without these requested funds, ITA will significantly reduce its overseas presence.	0	(6,201)
<u>Overseas Wage Increases FY 2008</u> The Foreign Service National (FSN) Salary increase is for wage adjustments overseas based on calculations using a 3.0% increase applied to total FSN salaries and other overseas salary costs. This percentage was applied to the 2007 estimate of \$13,831,000 to arrive at an increase of \$414,930.	0	415
<u>Overseas Price Increase FY 2008</u> The overseas price increases is based on anticipated overseas price increases in FY 2008 in countries in which ITA conducts operations. The percentage of 1.8% was applied to the 2007 estimate of \$19,499,000 to arrive at an increase of \$350,982.	0	351
<u>General Pricing Level Adjustment</u> This request applies OMB economic assumptions for 2008 to object classes where the prices that the Government pays are established through the market system. A factors of 1.8% was applied to: rental payment to other; transportation of things; communications, utilities, and miscellaneous charges (excluding postage); supplies and materials; equipment and other services (excluding the Working Capital Fund).	0	854
	Rental payment to others	328
	Transportation of things	22
	Communications, utilities and misc.	2
	Supplies and materials	47
	Equipment	65
	Other Services	390
	<b>Total</b>	<b>854</b>

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<u>Adjustments:</u>	<u>FTE</u>	<u>Amount (in Thousands)</u>
<u>Postage</u> Effective January 2006, the United States Postal Service (USPS) implemented a rate increase of 5.4%. This percentage was applied to the 2007 estimate of \$802,830 to arrive at an increase of \$43,353.	0	43
<u>General Printing Office (GPO) Printing</u> GPO has provided an estimated rate increase of 1.8%. This percentage was applied to the 2007 printing estimate of \$483,000 to arrive at an increase of \$8,694.	0	9
<u>National Archives and Records Administration (NARA) Storage Costs</u> An increase of \$1,062 is requested to cover ITA's projected 2008 NARA storage costs of \$18,762.	0	1
<u>Military Pouch</u> A rate of increase of 1.8% was applied to the 2007 estimate of \$723,458 for a 2008 projected cost of \$736,480. The increase of \$13,022 is needed for security and anthrax-related devices during pouch mail delivery	0	13
<u>International Cooperative Administrative Support Services (ICASS)</u> The Department of State is the primary provider of shared administrative support systems at embassies and other diplomatic and consular missions overseas. The Department of State coordinates the provision of such services and distribution of their costs via the International Common Administrative Support Services (ICASS) system. An increase of \$394,000 is required to maintain current level of ICASS support at ITA's existing 146 overseas offices.	0	394
Subtotal, other changes	0	6,796
Less: Adjustment-to-Base absorbed	0	(4,457)
<b>Total, Adjustments To Base</b>	<b>0</b>	<b>2,339</b>

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**Exhibit 10**

**OPERATIONS AND ADMINISTRATION  
PROGRAM AND PERFORMANCE: DIRECT OBLIGATIONS  
(Dollar Amount in Thousands)**

**Activity: International Trade Administration**  
**Subactivity: Manufacturing and Services**

		2006		2007		2008		2008		Increase/ (Decrease)	
		Actual		Currently Available		Base		Estimate			
		Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount
Enhance U.S. Competitiveness in the Global Market Place	Pos./Gross BA	242	46,963	242	47,025	242	49,564	242	49,564	0	0
	Pos./Net BA	242	46,828	242	47,025	242	49,564	242	49,564	0	0
	FTE/OBL.	239	48,640	237	47,073	237	49,564	237	49,564	0	0
	Fees	0	135	0	0	0	0	0	0	0	0
<b>Direct Obligations</b>	<b>Pos./Gross BA</b>	242	46,963	242	47,025	242	49,564	242	49,564	0	0
	<b>Pos./Net BA</b>	242	46,828	242	47,025	242	49,564	242	49,564	0	0
	<b>FTE/OBL.</b>	239	48,640	237	47,073	237	49,564	237	49,564	0	0
	<b>Fees</b>	0	135	0	0	0	0	0	0	0	0

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Exhibit 12

JUSTIFICATION OF PROGRAM AND PERFORMANCE  
MANUFACTURING AND SERVICES

**Enhancing American Industry's Competitiveness**

**Department of Commerce Goal 1**

Provide the information and tools to maximize U.S. competitiveness and enable economic growth for U.S. industry, workers and other stakeholders.

**Manufacturing and Services (MAS) Mission and Goals for FY 2008**

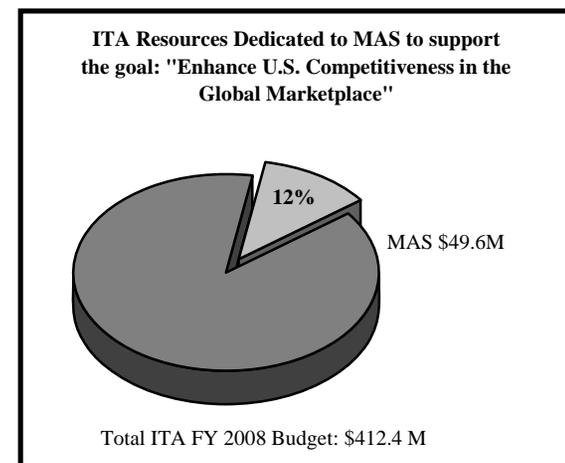
Strengthen the domestic and international competitiveness of U.S. industry by eliminating and/or preventing barriers and expanding foreign market access to increase U.S. exports. MAS supports several of the ITA-wide strategic goals and is the primary unit responsible for the goal entitled "Enhance U.S. Competitiveness in Domestic and International Markets."

MAS pursues its mission and goals by combining its analytical capabilities and its in-depth industry knowledge to provide assessments and recommendations to improve U.S. business competitiveness. MAS is the key federal agency focused on these issues from a business perspective. Specifically, MAS:

- Provides critical economic and policy analysis and information.
- Ensures appropriate industry and other stakeholder input into domestic policy development, assessment and implementation.
- Ensures appropriate industry and other stakeholder input into trade policy development, negotiation, implementation, and compliance.
- Supports the Manufacturing Council, the President's Export Council, Travel and Tourism Advisory Board, the Industry Trade Advisory Committees, Environmental Technologies Trade Advisory Committee, Tourism Policy Council, and the Interagency Working Group on Manufacturing.
- Advocates for the interests of the manufacturing and services sectors on standards issues.
- Compiles and disseminates data on U.S. and world trade, economic performance, and industry competitiveness, and travel and tourism market intelligence.
- Implements two high-profile Presidential initiatives – the Asia-Pacific Partnership and the Security and Prosperity Partnership.
- Supports industry market access issues in key foreign markets through industry analysis, bilateral activities, leading industry delegations to key markets, and leading industry-focused subgroups.

**Base Program**

MAS advances the competitiveness of U.S. industry by researching and analyzing U.S. industries and their operating environments to identify the opportunities and challenges that face them. MAS consults with U.S. industry on challenges and opportunities identified and combines industries' input with MAS's



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analysis to develop policy recommendations on issues such as standards on occupational exposure to chemicals and the definition of solid waste to promote U.S. competitiveness. U.S. manufacturers have outlined significant factors that are eroding competitiveness, contributing to higher production costs, retarding innovation, and impeding trade. These concerns form the foundation for generating policy recommendations that ensure the U.S. government is creating conditions where U.S. manufacturers and service providers prosper and maximize competitiveness. Further, MAS works with trade associations to sponsor events (e.g., conferences and roundtables) on issues affecting service and manufacturing firms. These events provide U.S. exporters access to senior U.S. government policymakers and offer firms the opportunity to explain significant factors that affect competitiveness, innovation, and impediments to trade in manufacturing and services. The concerns of manufacturing and services firms are an important building block for generating policy recommendations as the United States moves forward with an aggressive, market opening, trade agreement agenda.

MAS evaluates the effects of domestic and international economic and regulatory policies on the ability of U.S. manufacturing and service industries to compete in world markets. It conducts analyses of the economic environment for manufacturing and services industries and makes recommendations to enhance that environment. MAS analyzes regulations such as health, safety, or environmental regulations. The organization also reviews proposed governmental policies to determine their impact on cost competitiveness of U.S. firms and works with other U.S. agencies to reduce the impact of proposed and existing policies and regulations on U.S. industries. MAS serves as the primary liaison with U.S. industry and works with industry to identify key issues affecting competitiveness. MAS analyzes trends in manufacturing and service industries, including productivity growth, employment, structural changes and evolving business models. MAS collects original data, which is used by the Department of Commerce to perform analysis and report on U.S. imports and exports of international travel and by the travel and tourism industry for planning purposes.

With the launch of multiple new free trade agreement negotiations and renewed activity in the World Trade Organization Doha Round negotiations, MAS's expertise in trade analysis and its database tools enables the Department of Commerce to provide critical input not elsewhere available throughout all phases of negotiations and is heavily relied upon by United States Trade Representative. Through analysis, coordination with country desk officers, and consultation with private-sector representatives, MAS develops industry-specific recommendations for trade policy. MAS develops negotiating priorities and recommends strategies to overcome tariff and non-tariff barriers, open markets, promote mutual recognition, and to deal with other sensitive issues that affect trade in manufactured goods and services. Further, MAS manages the Industry Trade Advisory Committees program, which serves as a communications channel for U.S. companies to express their views to U.S. negotiators on trade negotiations and other policy issues.

MAS's knowledge of, and relationship with, U.S. industry enables it to take a unique leadership role in multilateral and bilateral negotiations on trade in goods and services. One important emphasis is on addressing the impact of divergent standards, redundant testing and compliance procedures on U.S. competitiveness, and unilateral and non-transparent standard setting exercises that combine to increase manufacturers' costs and decrease their competitiveness. These standards issues are now recognized as major impediments to free trade – estimated to affect 80 percent of global merchandise trade.

MAS is spearheading ITA's standards efforts. In response to industry concerns, MAS continues to focus its efforts on:

- Reinforcing expertise in key markets
- Devising an effective training and outreach program
- Creating a best practices database
- Expanding the early warning system to alert industry of potential changes in international regulations before they are adopted
- Partnering with the President's Export Council on standards leadership

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- Reaching out to U.S. industry

MAS is particularly active in pursuing standards activities in China. The Market Development Cooperator Program successfully helped six U.S.-based standards developing organizations open offices in China. From these new offices, these industry organizations are promoting acceptance of their standards by forming relationships with peer agencies, monitoring standards development, translating standards, hosting educational seminars, and performing technical certification programs.

Other U.S. government agencies, such as the Food and Drug Administration (FDAs) and the Environmental Protection Agency, rely on MAS as the key resource for setting trade policy priorities affecting U.S. industry. The MAS program takes a leading role in providing a forum for industry and government to come together in the international arena to discuss expanding exports and investment. For example, in energy services, MAS took a lead role with the U.S. Trade Representative in establishing a separate classification in the WTO General Agreement on Trade In Services. This new classification allows U.S. energy services providers greater coverage and, if adopted, could ultimately open up markets for trade in both energy and energy services. Similar classification efforts are under way in express delivery services, with significant potential gains for logistics and supply-chain operations.

MAS heads the Interagency Working Group on Manufacturing Competitiveness which coordinates the manufacturing competitiveness efforts of 17 Federal Agencies. Because many issues of concern to manufacturers cut across various Federal Agencies, interagency coordination within the Federal Government is vital to creating a favorable environment and a level playing field for the U.S. manufacturing sector.

MAS represents ITA and the Department in interagency work on transportation and border security and in the expanded maritime and aviation security policy efforts directed by the National Security Council – Homeland Security Council. In terms of e-commerce, MAS promotes growth through bilateral and multilateral discussions as well as with agreements with foreign governments, including FTA and the U.S.-EU Safe Harbor Agreement. MAS travel and tourism data serves as the sole source of government statistics on the travel industry. This information feeds GDP estimates as well as balance of payments and trade data in an industry exporting more than \$90 billion annually and running a trade surplus. The Bureau of Labor Statistics uses MAS data to develop and report an international airfare price index. The Department of State uses MAS data for air service negotiations to determine the impact of travel and tourism to and from the country.

MAS manages a state-of-the-art information-delivery system for trade information. MAS continues its initiative to improve the usefulness of U.S. export data as a tool for helping U.S. firms realize their export potential. Working with the Census Bureau, MAS supported the development of economic profiles of the U.S. exporting community, detailed statistics on U.S. exports at the state level, and information on the role of exports in supporting jobs in each state. This data provides critical information to U.S. firms considering the initiation or expansion of exporting activities, as well as, federal, state and local government entities involved in supporting the realization of export potential by their constituent business entities.

MAS also has accelerated the process of “unlocking” Department of Commerce data now residing on in-house systems by expanding the use of the Internet for delivering applications like the Trade-Stats Express ([www.tse.export.gov](http://www.tse.export.gov)). This technology, which features interactive data retrieval, user customization, data visualization on map-based interfaces, and flexible downloading and printing, vastly expands data accessibility while sharply reducing the costs of serving ITA customers. For example, there were over 360,000 unique data downloads from Trade-Stats Express in 2005.

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MAS supports the Asia-Pacific Partnership on Clean Development and Climate, a joint effort by the United States and five Asian-Pacific nations to promote the development and deployment of cleaner and more efficient energy technologies to curtail the growth of greenhouse gas emissions worldwide. As part of the initiative, MAS's industry specialists work with eight task forces to identify and remove barriers to the spread of cleaner more efficient technologies. MAS is the U. S. Government lead on aluminum, power generation, steel, and renewable energy task forces. MAS also provides substantial support to the buildings and appliances, cement, and cleaner fossil energy task forces. In addition, MAS's industry specialists and senior staff help develop and will participate in U.S. industry outreach events in conjunction with the Commercial Service. MAS also contributes to market analysis, and ensures strong policy components. MAS also plays a role in addressing intellectual property rights issues, and provides related policy support.

MAS works both multilaterally and bilaterally. Examples of multilateral work include the Asia-Pacific Economic Cooperation (APEC) Auto Dialogue and the APEC-funded medical device regulatory training seminars. Examples of our bilateral work include MAS-led industry delegations to key markets to discuss market issues with foreign officials. There is also a special manufacturing focus on China and India, with manufacturing subgroups under the U.S.- China Joint Commission on Commerce and Trade, and major manufacturing industries represented on the U.S.-India High Technology Cooperation Group and the U.S.-India Standards Dialogue.

MAS manages the Market Development Cooperator Program (MDCP). The MDCP is a competitive matching funds program that provides federal assistance to export multipliers trade associations, chambers of commerce and other industry groups that are particularly effective in reaching and assisting small-and medium-sized exporters. MDCP partnerships help to underwrite the start-up costs of new export marketing ventures, which these groups are often reluctant to undertake without Federal government support. Since FY 1997, MDCP award winners have generated more than \$1.7 billion in exports, an average of \$194 million in exports annually. When funded projects are completed, the private sector will have invested more than \$73 million to develop foreign markets as a result of the U.S. government's \$27 million expenditure.

MAS also coordinates Committee for Foreign Investment in the United States activities for the Department and administers the Export Trading Company Act in coordination with the Department of Justice.

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**Summary of Workload and Performance Data**

<b>ITA Performance Goal: Enhance U.S. Competitiveness in the Global Market Place</b>	<b>FY 2005 Actual</b>	<b>FY 2006 Actual</b>	<b>FY 2007 Estimate</b>	<b>FY 2008 Estimate</b>
Percent of Agreement Milestones Completed	57%	100%	70%	70%
Percent reduction in per unit cost data distribution	NA	12%	5%	5%
Percent of Industry-Specific Trade Barrier Milestones Completed	83%	81%	85%	85%
Annual cost savings resulting from the adoption of MAS recommendations contained in MAS studies and analysis	\$350 million	\$287 million	\$372 million	\$394 million
Percent of Industry-Specific Trade Barriers Addressed that Were Removed or Prevented (2006-2010)	NA	30% (by 2010)	30% (by 2010)	30% (by 2010)
Percent of MAS Recommendations Contained in Industry-Specific Analyses Adopted to Support the Implementation of Selected U.S. Trade Laws	94%	94%	94%	95%
Total Exports Generated from Public/Private Partnerships	\$189 million	\$267 million	\$295 million	\$315 million
Dollar Exports Generated for Every \$1 Invested in Public/Private Partnerships	\$53	NA	\$83	\$86

\* Estimate based on FY 2006 baseline data.

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**Exhibit 10**

**PROGRAM AND PERFORMANCE: DIRECT OBLIGATIONS**  
(Dollar Amount in Thousands)

**Activity: International Trade Administration**  
**Subactivity: Market Access and Compliance**

		2006		2007		2008		2008		Increase/ (Decrease)	
		Actual		Currently Available		Base		Estimate			
		Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount
Identify and Resolve Unfair Trade Practices	Pos./Gross BA	198	41,471	214	39,306	214	41,650	226	42,960	12	1,310
	Pos./Net BA	198	41,436	214	39,306	214	41,650	226	42,960	12	1,310
	FTE/OBL.	199	43,295	209	42,896	209	41,650	217	42,960	8	1,310
	Fees	0	35	0	0	0	0	0	0	0	0
<b>Direct Obligations</b>	<b>Pos./Gross BA</b>	198	41,471	214	39,306	214	41,650	226	42,960	12	1,310
	<b>Pos./Net BA</b>	198	41,436	214	39,306	214	41,650	226	42,960	12	1,310
	<b>FTE/OBL.</b>	199	43,295	209	42,896	209	41,650	217	42,960	8	1,310
	<b>Fees</b>	0	35	0	0	0	0	0	0	0	0

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Exhibit 12

JUSTIFICATION OF PROGRAM AND PERFORMANCE  
MARKET ACCESS AND COMPLIANCE

**Increasing Access to Foreign Markets for U.S. Industry**

**Department of Commerce Goal 1**

Provide the information and tools to maximize U.S. competitiveness and enable economic growth for American industries, workers and consumers.

**Mission and Goals for FY 2008**

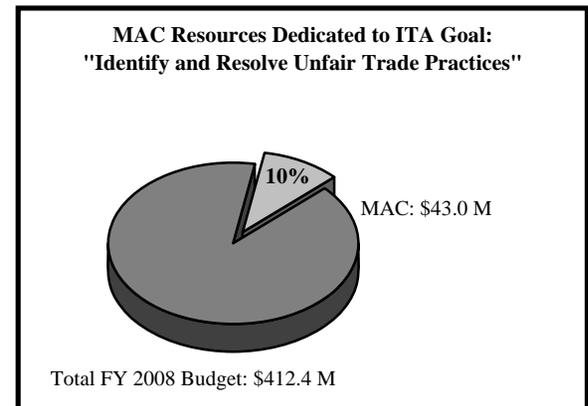
Market Access and Compliance (MAC) is charged with obtaining greater access to foreign markets for U.S. companies by combating barriers to U.S. exports overseas and ensuring foreign compliance with trade agreements. MAC activities support the ITA-wide strategic goal titled "Identify & Resolve Unfair Trade Practices."

MAC's strategic goals and objectives are to:

- Identify, analyze and prioritize market barriers to U.S. exports;
- Develop and implement strategies for combating market access barriers;
- Monitor foreign compliance with all U.S. non-agricultural trade agreements to ensure that other governments implement and maintain their market access obligations;
- Work with the U.S. Trade Representative and other agencies to negotiate trade agreements, and coordinate strategies to overcome trade barriers;
- Increase the number of market access and compliance investigations initiated; and
- Increase the number of market access compliance investigations resolved.

**Base Program**

The Secretary of Commerce and Congress stress the importance of ensuring compliance by foreign nations with trade agreements, so U.S. business receives the full benefit of negotiated trade agreements. MAC monitors, investigates, and evaluates foreign compliance of more than 250 trade agreements signed by the United States. As President Bush stated in his address to the Detroit Economic Club on February 8, 2005, "We will vigorously enforce trade laws...with a level playing field, our businesses, our entrepreneurs, and our workers can compete with anybody, anytime in the world." MAC is an integral part of the U.S. government's interagency cooperative effort to develop and implement market access strategies and to remove foreign trade barriers.



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MAC is organized into four regional units (1) Africa, the Middle East and South Asia; 2) Asia; 3) Europe; and 4) the Western Hemisphere and the Trade Agreements and Compliance (TAC) unit. MAC country experts collaborate with issue experts (standards, customs, intellectual property rights) in the TAC on identifying and resolving trade barriers facing U.S. firms and exporters. MAC's specialists devise strategies for remedying broad market access deficiencies, such as restrictive standards and other regulatory measures designed to keep U.S. exports out of foreign markets. Using a variety of tools and techniques from direct bilateral discussion to formal, regional consultative mechanisms, MAC coordinates U.S. government efforts to implement market access strategies. MAC's regional units also participate in international trade conferences, events, and missions to assess trade barriers, combat threats to impede free trade, and develop trade opportunities for U.S. exports.

MAC's Trade Compliance Center (TCC), within the TAC unit, works in close collaboration with country and regional experts to monitor foreign governments' implementation of trade agreements signed with the U.S. to identify any compliance problems. The TCC obtains information directly from U.S. businesses, MAC regional units, other Department of Commerce units, and U.S. embassies regarding potential failures by foreign governments to implement and adhere fully to agreements. Once a problem is identified, a case is initiated and the TCC staff puts together a team of industry, country and issue experts to resolve compliance problems without having to resort to lengthy, formal dispute settlement procedures. TCC staff work with industry experts in the MAS program if the issue does or potentially could affect an entire industry, and also with appropriate IA offices when illegal subsidies by foreign governments and/or dumping by foreign companies is suspected. When compliance cannot be attained in this manner, the TCC works with the United States Trade Representative's Trade Enforcement Center to develop effective cases for formal dispute settlement through the WTO, North American Free Trade Agreement (FTA), or by other means. MAC's specialists contribute to regular reports on possible compliance violations for use by the U.S. Trade Representatives and other agencies.

MAC has expanded its tools and activities in aggressively combating non-tariff barriers imposed on U.S. firms. For example, MAC placed four permanent, full-time compliance officers in Brussels (EU), China, and Japan to work on-the-ground in resolving the most difficult trade compliance and market access problems for U.S. firms. These specialists have immediate access to foreign government officials to resolve compliance cases and monitor laws and regulations that may impede U.S. exports to these markets. ITA's global network provides feedback to the TCC and intervention in the field when necessary, protecting U.S. business interests abroad.

**Intellectual Property Rights**

In FY 2005, MAC established an Intellectual Property Rights (IPR) office to investigate allegations of trade agreement violations and support policies by foreign governments to enhance and protect IPR for U.S. firms and artists. Through investigation of trade compliance cases and aggressively pursuing enforcement policies on IPR issues, the office will continue to level the playing field for U.S. exporters by ensuring that foreign governments address burgeoning IPR violations. Additionally, the office will improve coordination efforts with other U.S. government agencies to aid in the identification of illegal trade practices internationally. The increased focus on compliance will enhance MAC's efforts to curb piracy and actions that violate U.S. trade agreements or distort markets to the disadvantage of American companies.

MAC is a key contributor to the Strategy Targeting Organized Piracy (STOP) initiative, and works to overcome global piracy issues and lack of effective IPR in other countries. Piracy causes widespread economic damage in both the United States and abroad and results in an estimated \$10 billion in losses for U.S. firms in records and music, motion pictures, and other media – a trend that shows no sign of slowing down around the world. Foreign sales and exports by copyright industries continue to be a driving force in long-term economic growth. It is estimated that income generated by U.S. recording artist, motion picture, and other copyright industries accounts for over \$535 billion in GDP annually, and U.S. employment of 4.7 million workers (3.5 percent of total U.S. workforce). China is of particular concern as there continues to be serious shortcomings in basic IPR protection even after more than two years since their WTO accession.

MAC works closely with U.S. industry, trade associations, and foreign officials to halt the scourge of piracy and ensure that IPR are respected and enforced by other governments. For many countries this process starts with negotiating strong IPR rules in bilateral FTAs. MAC also utilizes existing international accords and ongoing

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multilateral negotiations on copyright protection to hold signatory countries to their obligations in ensuring enforcement of IPR laws. Furthermore, MAC's new IPR office will seek out violations abroad and present specific evidence of abuse, forcing action by foreign governments to enforce their laws.

**Trade Negotiation Support**

MAC supports the U.S. Trade Representative's negotiations by providing much of the analysis, expertise, and staff support needed to achieve negotiation objectives. The country and regional experts in MAC provide technical knowledge and detailed expertise needed for U.S. trade agreement negotiating teams. MAC analyzes market barriers, develops detailed data and information related to technical problems and obstacles, and conducts economic and commercial analyses necessary for successfully negotiating trade agreements.

MAC is increasingly called to provide substantial support to U.S. Trade Representative-led negotiations. MAC played a key role in major U.S. trade negotiations, including bilateral FTAs with Chile, Singapore, Morocco, Bahrain, U.S.- Central America FTA (including the Dominican Republic), and Australia. MAC continues to support ongoing Free Trade Area negotiations with Korea, Thailand, and the andean countries. MAC specialists are also heavily involved in multi-lateral negotiations for the FTA of the Americas as well as the WTO's Doha Round. MAC's support of and participation in trade negotiations have grown dramatically and will remain at a high level.

**Outreach to SMEs**

MAC is oriented to help small- and medium-sized businesses that lack the resources to determine their rights under U.S. trade agreements. MAC recognizes that many U.S. firms, especially small businesses, may be unaware of their rights under trade agreements signed by the United States, nor are they aware of the assistance the U.S. government can provide in resolving their trade problems. MAC's senior representatives continue to pursue an aggressive outreach program to U.S. businesses and industry associations across the country, including important business centers in Alabama, Ohio, Texas, New Mexico, Pennsylvania, and Michigan. These visits are designed to alert businesses to the assistance MAC can provide in overcoming trade barriers, as well as how ITA can help companies enter new markets. MAC participates in manufacturing roundtables during these missions, as well as giving speeches and information sessions on exporting and compliance. This initiative also provides MAC's specialists with insight into the local business community and new trade barriers that may be plaguing U.S. firms.

Companies are encouraged to use MAC as the U.S. government assistance source when they need to combat unfair barriers to trade. MAC's TCC maintains a trade agreements database on the Internet ([www.tcc.mac.doc.gov](http://www.tcc.mac.doc.gov)) that explains U.S. trade agreements and enables companies to compare the market access they are receiving with what they should be receiving. Thus, they are in a better position to identify probable violations or failure to implement agreements. U.S. businesses can then register complaints regarding market access barriers at this site, thereby initiating an investigation by MAC's specialists.

**Advance the U.S. International Commercial and Strategic Interests**

MAC is actively engaged in trade-related programs around the world that enhance commercial and strategic interests of the United States and for U.S. firms. For example, MAC runs the Iraq and Afghanistan Task Force, which is staffed by an interdisciplinary team of trade specialists from across ITA. The mission of this unit is not only to assist in the reconstruction efforts for these two countries – thereby supporting the development of stable governments and economic growth – but also to pave the way for increased U.S. participation in these markets. MAC's experts in trade agreements and international trade regulations are working to create a fair and open framework of trade policy in Iraq and Afghanistan. At the same time, trade promotion and commercial development experts are working to uncover opportunities for U.S. firms in Iraq and Afghanistan, increasing the overall level of trade and promoting economic prosperity for the United States and the region.

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In addition to supporting U.S. bilateral and multilateral trade negotiators, MAC works in additional areas to support other Presidential trade policy objectives. MAC works with Commerce officials and other U.S. Government agencies to encourage foreign policy and assistance programs to include a role for expanding U.S. business in economic development programs.

MAC supports aggressive outreach through seminars and the Internet to alert U.S. businesses to specific opportunities opened through U.S. policy and assistance programs. MAC has also had significant success in expanding U.S. exports while supporting U.S. Government foreign policy initiatives in China, Russia and the other Newly Independent States, Central America, and Eastern Europe. In addition, MAC has operated important new programs under the Middle East Partnership Initiative and the African Growth and Opportunities Act that seek to raise the overall level of U.S. trade. These activities are increasing exports and supporting a stronger, market-oriented economic system in these areas of the world, which contributes both to U.S. economic goals and global stability.

**Summary of Workload and Performance Data**

**ITA Performance Goal: Identify and Resolve Unfair Trade Practices**

	<b>FY 2005 Actual</b>	<b>FY 2006 Actual</b>	<b>FY 2007 Target</b>	<b>FY 2008 Target</b>
Number of market access and compliance cases initiated	163	178	160	160
Number of market access and compliance cases concluded	123	140	120	120
Percentage of market access and compliance cases initiated on behalf of small and medium-sized businesses	New	23.8%	30%	30%
Percentage of market access and compliance cases resolved successfully (reduction or elimination of the market barrier)	New	46% / per qtr	25% / per qtr	25% / per qtr

**FY 2007 PART Review of Market Access and Compliance**

In FY 2005, OMB requested a Program Assessment Rating Tool (PART) Review of the MAC program. The review assessed MAC's program purpose and design, strategic planning, program management, and program results. The MAC PART highlighted MAC's continued success in helping U.S. firms overcome trade agreement compliance problems and other trade barriers in foreign markets. The PART identified MAC's ability to meet its performance measures for number of market access and compliance cases initiated and number of market access cases concluded. In addition, the review focused on MAC's efforts in setting new long-term performance measures. MAC's overall score was adequate.

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**Exhibit 13**

**Salaries and Expenses  
Increases for FY2008  
PROPOSED PROGRAM INCREASE FOR FY 2008  
(Dollar Amounts in Thousands)**

Free Trade Agreements	FY 2008 Base		FY 2008 Estimate		Increase	
	Personnel	Amount	Personnel	Amount	Personnel	Amount
Pos/BA	8	1,000	16	2,310	8	1,310
FTE/Obl.	8	1,000	16	2,310	8	1,310

**Free Trade Agreements (8 FTE, \$1,310)**

Between 2001 and 2007, the number of countries that signed FTAs with the United States will increase fivefold. The combined total of trade with all potential FTA partners will be 40 percent of U.S. trade. Each agreement took several years to negotiate and represents thousands of work-hours by ITA experts, resulting in a detailed and complex set of rules and obligations governing bilateral trade. However, negotiating trade agreements is only the first step. For these new market-opening opportunities to have real value for U.S. firms and workers, they must be implemented fully by our foreign partners, and must be aggressively enforced to ensure countries live up to their commitments.

This initiative will: provide the resources required for a robust monitoring regime for new FTAs; meet the expected increase in compliance cases related to the FTAs and new accessions to the WTO such as Russia and Saudi Arabia; support the conclusion of the Doha Round; and to better address market access barriers through use of WTO committees that monitor implementation of specific WTO Agreements. MAC will take three approaches to monitor compliance and address U.S. firms trade problems.

First, MAC will place two compliance experts in priority markets such as Russia, Korea, Central/South America, and at the U.S. Mission to the WTO in Geneva. These experts will not only have first-hand knowledge of potential non-tariff barriers to trade that may restrict U.S. access to the market, but will also have immediate access to foreign government officials and decision makers to combat trade problems quickly and efficiently. By having trade compliance experts on the ground, MAC can address potential trade barriers quickly and efficiently.

Second, this initiative will place FTA implementation experts in MAC regional units and the Trade Compliance Center who can address highly technical questions related to the agreements. These specialists will work closely with MAC's overseas officers and country desk experts to champion compliance cases through the U.S. Government interagency process. MAC's FTA implementation experts would be based in headquarters and work directly with U.S. firms that are having trouble understanding their rights under the FTA terms, or have encountered a trade problem addressed in the agreement or the WTO. This team will also develop sophisticated analysis of non-tariff barriers to preempt potential trade problems.

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Finally, the initiative supports the requirements of recent FTAs to establish a Secretariat to administer dispute panel cases, and pay the U.S. share of costs of dispute panels. Panel expenses for each FTA are estimated to average \$100,000 per year.

This initiative supports ITA's Identify and Resolve Unfair Trade Practices goal. MAC estimates that this initiative will increase its total cases initiated (baseline of 160 per year) and cases resolved by 10 percent . The value of these new cases is estimated to be \$100 million per year. In conjunction with related activities in the Commercial Service, ITA expects a significant increase in exports to FTA countries, with a corresponding increase of job growth in the United States.

	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
<b>Performance Measures:</b>					
Cases Initiated	8	16	16	16	16
Cases Resolved	New	New	New	New	New
<b>Cost and Benefits:</b>					
Direct Obligations:					
Uncapitalized	1,310	1,611	1,611	1,611	1,611
Budget Authority	1,310	1,611	1,611	1,611	1,611
Outlays	917	1,390	1,581	1,611	1,611
FTE	8	11	11	11	11
Benefits in dollars	\$50M	\$75M	\$100M	\$100M	\$100M

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Exhibit 14

PROGRAM CHANGE PERSONNEL DETAIL

<b>Activity:</b>	Market Access and Compliance			
<b>Subactivity:</b>	Market Access and Compliance			
<b>Program Change:</b>	Free Trade Agreements			
<b>Title:</b>		<u>Grade</u>	<u>Number</u>	<u>Salary</u>
				<u>Salaries</u>
International Economist		GS-14	1	91,407
International Economist		GS-13	1	77,353
International Trade Specialist		GS-13	1	77,353
International Trade Specialist		GS-12	2	65,048
International Trade Specialist		GS-11	3	54,272
Subtotal			<u>8</u>	<u>539,025</u>
2007 Pay Adjustment (2.2%)				11,859
Less Lapse (25.0%)			<u>(2)</u>	<u>(131,792)</u>
Total Full-time permanent:			<u>6</u>	<u>419,092</u>
2008 Pay Adjustment (3.0%) at 3/4 year				9,430
<b>Total</b>			<u>6</u>	<u>428,522</u>
Foreign Service Officer		FS-02	1	74,148
Foreign Service Officer		FS-03	3	60,081
Subtotal			<u>4</u>	<u>254,391</u>
2007 Pay Adjustment (2.2%)				5,597
Less Lapse (50.0%)			<u>(2)</u>	<u>(124,397)</u>
Total Full-time permanent:			<u>2</u>	<u>135,590</u>
2008 Pay Adjustment (3.0%) at 3/4 year				3,051
<b>Total</b>			<u>2</u>	<u>138,641</u>
<b>Total</b>			<u>8</u>	<u>567,163</u>
<b>Personnel Data</b>				
Full-time Equivalent Employment				
Full-time permanent			8	
Other than full-time permanent			<u>0</u>	
<b>Total</b>			<u>8</u>	
Authorized Positions:				
Full-time permanent			12	
Other than full-time permanent			<u>0</u>	
<b>Total</b>			<u>12</u>	

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**Exhibit 15**

PROGRAM CHANGE DETAIL BY OBJECT CLASS  
(Dollar amounts in Thousands)

<b>Activity:</b>	Market Access and Compliance	
<b>Subactivity:</b>	Market Access and Compliance	
<b>Program Changes:</b>	Free Trade Agreements	
		<b>2008</b>
Object Class		<b>Increase</b>
11 Personnel compensation		
11.1 Full-time permanent		567
11.3 Other than full-time permanent		0
11.5 Other personnel compensation		17
11.8 Special personnel services payments		0
11.9 <b>Total personnel compensation</b>		<b>584</b>
12.1 Civilian personnel benefits		129
13 Benefits for former personnel		0
21 Travel and transportation of persons		100
22 Transportation of things		10
23.1 Rental payments to GSA		0
23.2 Rental payments to others		0
23.3 Communications, Utilities and miscellaneous charges		95
24 Printing and reproduction		15
25.1 Consulting services		0
25.2 Other services		279
25.3 Purchase of goods and services		63
26 Supplies and materials		20
31 Equipment		15
32 Lands and structures		0
33 Investments and loans		0
41 Grants, subsidies and contributions		0
42 Insurance claims and indemnities		0
43 Interest and dividends		0
44 Refunds		0
99 <b>Total obligations</b>		<b>1,310</b>

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**Exhibit 10**

**PROGRAM AND PERFORMANCE: DIRECT OBLIGATIONS**  
(Dollar Amount in Thousands)

**Activity: International Trade Administration**  
**Subactivity: Import Administration**

		2006		2007		2008		2008		Increase/ (Decrease)	
		Actual		Currently Available		Base		Estimate			
		Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount
Identify and Resolve Unfair Trade Practices	Pos./Gross BA	337	59,647	384	61,365	384	65,601	384	65,601	0	0
	Pos./Net BA	337	59,366	384	59,365	384	63,601	384	63,601	0	0
	FTE/OBL.	348	60,368	382	59,367	382	63,601	382	63,601	0	0
	Fees	0	281	0	2,000	0	2,000	0	2,000	0	0
<b>Direct Obligations</b>	<b>Pos./Gross BA</b>	<b>337</b>	<b>59,647</b>	<b>384</b>	<b>61,365</b>	<b>384</b>	<b>65,601</b>	<b>384</b>	<b>65,601</b>	<b>0</b>	<b>0</b>
	<b>Pos./Net BA</b>	<b>337</b>	<b>59,366</b>	<b>384</b>	<b>59,365</b>	<b>384</b>	<b>63,601</b>	<b>384</b>	<b>63,601</b>	<b>0</b>	<b>0</b>
	<b>FTE/OBL.</b>	<b>348</b>	<b>60,368</b>	<b>382</b>	<b>59,367</b>	<b>382</b>	<b>63,601</b>	<b>382</b>	<b>63,601</b>	<b>0</b>	<b>0</b>
	<b>Fees</b>	<b>0</b>	<b>281</b>	<b>0</b>	<b>2,000</b>	<b>0</b>	<b>2,000</b>	<b>0</b>	<b>2,000</b>	<b>0</b>	<b>0</b>

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**Exhibit 12**

**JUSTIFICATION OF PROGRAM AND PERFORMANCE  
IMPORT ADMINISTRATION**

**Safeguarding U.S. Industries and Jobs Against Unfair Trade**

**Department of Commerce Goal 1**

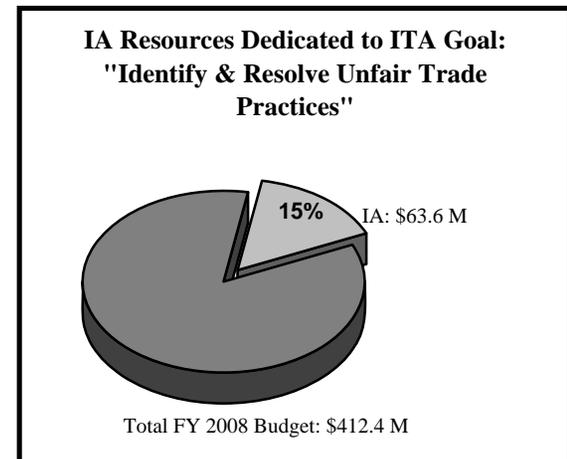
Provide the information and tools to maximize U.S. competitiveness and enable economic growth for U.S. industries, workers and consumers.

**Mission and Goals for FY 2008**

- o Import Administration's (IA) mission is to take prompt and aggressive action against unfair trade practices by enforcing the U.S. trade laws and trade agreements to address trade-distorting practices. IA activities support the ITA-wide strategic goal titled "Identify & Resolve Unfair Trade Practices."

IA achieves its mission and goals by:

- Conducting statutorily mandated antidumping (AD) and countervailing duty (CVD) investigations, administrative reviews, new shipper reviews, sunset reviews and anti-circumvention inquiries within statutory time limits, and negotiating and enforcing suspension and other bilateral agreements which address injurious dumping or subsidization;
- Defending the determinations of the agency in the World Trade Organization (WTO) and North American Free Trade Agreement (NAFTA) dispute settlement proceedings and domestic courts;
- Closely working with Customs and Border Protection (CBP) and other agencies to identify and counter evasion of AD and CVD duties;
- Negotiating strong, effective and transparent disciplines on unfair trade practices in multilateral fora, such as the WTO, the Organization for Economic Cooperation and Development, and in various free trade agreements (FTAs);
- Analyzing market trends and foreign government and business practices to identify potential unfair trade problems at the earliest stage possible and provide assistance to U.S. businesses harmed by these practices through subsidy enforcement efforts, trade remedy compliance activities and pre-petition counseling;
- Addressing persistent and fundamental structural problems affecting major industries, such as the steel industry, through a variety of initiatives (e.g., the steel working group of the Security and Prosperity Partnership of North America);
- Implementing proactive trade enforcement activities, including textile safeguard actions with respect to China's WTO Accession Agreement, bilateral quotas on non-WTO members, and textile provision of U.S. preferential programs and agreements;
- Administering textile commercial availability provisions, wool fabric tariff rate quotas, and other provisions of U.S. preference programs and FTAs; and



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- Managing and supporting the Foreign Trade Zones Program and the Statutory Import Programs Staff programs.

**Antidumping and Countervailing Duty Program**

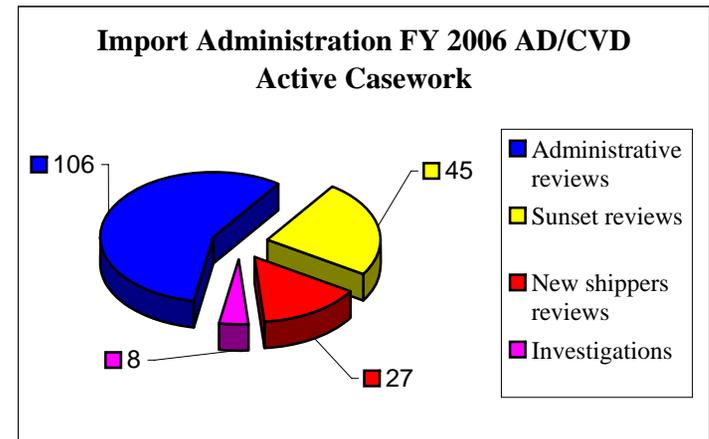
IA is committed to vigorously enforcing the U.S. trade laws. IA defends U.S. industry against injurious trade practices by administering the AD and CVD laws of the United States efficiently, fairly, and in a manner consistent with U.S. international obligations. AD/CVD laws provide domestic industries the opportunity to obtain relief from injury caused by imports of foreign products that are sold at less than fair value or that benefit from foreign government subsidies.

**AD/CVD Operations** –The Deputy Assistant Secretary for AD/CVD Operations continues to enhance uniformity and consistency in the application of the U.S. trade laws. Within AD/CVD Operations, the China/Non Market Economy (China/NME) Unit is dedicated to the enforcement of the AD law with respect to the People's Republic of China and other non-market economy (NME) countries. This unit continues to experience an increase in workload as trade cases involving China grow in number and become more complex. The China/NME Unit enables IA to consolidate and cultivate the expertise necessary to address the unique trade problems associated with conducting unfair trade proceedings involving NME countries, such as irregular financial reporting, fraudulent filings, opaque company relations, and close ties to local and provincial governments. The analysts and specialists assigned to this office are trained investigators and are supported by attorneys, accountants, economists, policy analysts, and the customs liaison team. Fifteen percent of the analysts have Chinese language skills. The China/NME Unit handled 49 of the 254 cases that AD/CVD Operations completed in FY 2006.

IA conducts an investigation under the AD/CVD laws when there is reason to believe imports are being unfairly subsidized or sold in the United States at less than fair market value. Each investigation must be completed within strict statutory deadlines, and the investigations vary widely in terms of scope and complexity. Each investigation requires:

- Intensive analysis of information provided by the petitioning U.S. industry to determine whether an investigation should be initiated;
- Preparation of extensive questionnaires, which are sent to the relevant foreign governments and/or industry, and request information about foreign government subsidy programs or individual firms' prices and costs;
- Analysis of responses to the questionnaires and verification of such responses on-site in the foreign country at the relevant government and/or company offices;
- Calculation of subsidy rates or dumping margins and duty deposit rates; and
- Preparation of preliminary and final determinations, including extensive memoranda and *Federal Register* notices that detail the full analysis of the information and address all comments from U.S. and foreign industry.

IA performs many of the same steps when it subsequently conducts administrative and new shipper reviews. Whereas investigations determine whether imports are being unfairly subsidized or sold at less than fair market value, reviews determine the amount of duties to be collected to remedy those unfair practices. Thus, reviews are equally as important as investigations because they determine the actual relief to domestic industries. In recent years, the



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number of reviews have increased significantly as has their complexity.

When the results of a final determination are challenged in the U.S. Court of International Trade, the U.S. Court of Appeals for the Federal Circuit, NAFTA and/or the WTO, IA's Operations staff provides support to the Chief Counsel for IA, the Justice Department and/or the United States Trade Representatives. If a case is remanded to IA by any of the reviewing authorities, the proceeding is re-conducted in accordance with the Court's or Panel's instructions.

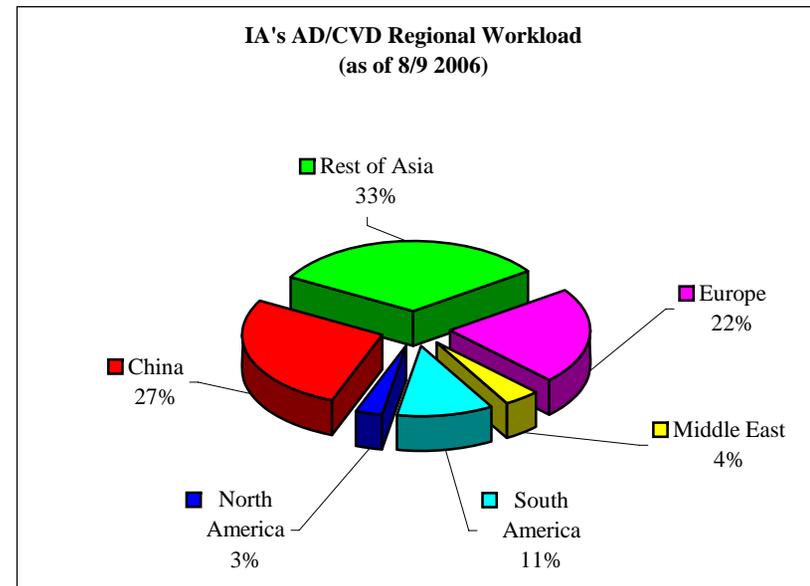
Some importers are increasingly attempting to avoid or minimize AD and CVD duties through misreporting the name or country of origin of products subject to AD and CVD duties, establishing shell companies to import at lower duties, and other means. IA is increasing its efforts to counter such activities. IA often identifies such schemes through analyzing information and documents provided during administrative reviews and conducting on-site audits. IA also cooperates with U.S. Customs and Border Protection (CBP) and other agencies to prosecute fraudulent activity. IA's efforts have resulted in such importers being subject to fines, penalties and felony indictments.

Major program activities include:

- Analyzing petitions submitted by domestic industries alleging dumping or unfair subsidization with respect to imports into the United States;
- Conducting subsequent investigations of alleged unfair foreign trade practices that were adequately alleged and documented in such petitions;
- Conducting administrative reviews of AD/CVD orders to determine the actual amount of AD and CVD liability;
- Conducting reviews to provide legitimate new shippers the opportunity to secure their own AD and CVD rates;
- Conducting five-year sunset reviews of AD/CVD orders and suspension agreements;
- Conducting scope and anticircumvention inquiries as well as changed circumstance reviews to ensure adequate enforcement of AD/CVD measures and accommodate evolving market conditions;
- Issuing instructions to CBP to impose duties at the border to provide relief to domestic industries when dumping or subsidization has been found to be causing them injury;
- Working closely with CBP and Immigration and Customs Enforcement on investigations of fraudulent activity pertaining to AD/CVD matters.

**AD/CVD Policy and Negotiations**

The Deputy Assistant Secretary (DAS) for Policy and Negotiations oversees a variety of programs and policies, including the provision of crosscutting and case-specific policy advice regarding the administration of the AD/CVD laws. The DAS also directs: 1) the negotiation and administration of all bilateral agreements related to AD/CVD cases; 2) analysis and support on cost accounting and financial analysis matters in AD/CVD cases; 3) negotiation of trade remedy disciplines in the ongoing



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WTO Rules negotiations and in other bilateral trade agreements, such as FTA's; and 4) involvement in broader policy issues regarding unfair trade matters.

The Office of Policy's traditional role has been to steer IA's application of policies and procedures in AD/CVD proceedings in a consistent manner, bearing in mind the agency's and Administration's broader policy objectives and statutory and international obligations. The Office of Policy strives to achieve such consistency not only by contributing to and reviewing case determinations issued by IA, but also through in-depth analysis of major or emerging issues and development of new policies to address such issues. The Office of Policy is responsible for analyzing and informing case investigators and decision makers of the potential ramifications on AD/CVD proceedings posed by developments in the General Agreement on Tariffs and Trade (GATT) and its successor, the WTO. In addition, office staff work closely with other IA units to defend IA's actions when challenged before the WTO, and represent U.S. interests in international negotiations, such as in the WTO or those being conducted to establish FTA's. Finally, the office pro-actively analyzes market trends and foreign government and business practices to identify potential unfair trade problems at the earliest stage.

The Office of Accounting is responsible for ensuring that IA uses acceptable, sound accounting and financial principles in administering the AD/CVD laws. In this role, the office supports all IA offices involved with the AD/CVD program. Accounting performs all investigative aspects of casework, including on-site verifications related to the cost of production and the constructed value areas of AD investigations. The complexities of this area require expert knowledge in U.S. "generally accepted accounting principles" as well as foreign accounting practices. The office also provides litigation support to the Office of the Chief Counsel. The expertise provided by the Office of Accounting applies to a large number of AD/CVD cases and litigation and supports many other program and administrative aspects of IA.

Major program activities of the Office of Policy include:

- **Subsidies Enforcement:** The Subsidies Enforcement Office (SEO) spearheads the subsidies enforcement activities of the U.S. Government. The primary role of the SEO is to confront unfair foreign government subsidization by providing monitoring, analysis, counseling and advocacy services to U.S. parties harmed by such trade-distorting practices. The main activities of the SEO are mandated by law. Specifically, Section 281 of the Uruguay Round Agreements Act, as further clarified in the Statement of Administrative Action, stipulates the following SEO responsibilities: (1) coordinate U.S. countervailing duty and multilateral subsidies enforcement efforts; (2) assist the private sector by monitoring foreign subsidies and identifying instances of subsidization which can be remedied under the WTO Subsidies Agreement; and (3) submit an Annual Report to Congress. (The 2006 report was the twelfth such report to Congress.) The SEO serves as a focal point for responding to private-sector inquiries regarding subsidies disciplines and remedies, and assists the U.S. private-sector by monitoring foreign subsidies and identifying instances of subsidization that can be addressed under the provisions of the WTO Subsidies Agreement or U.S. law.
- **All Aspects of the WTO Related to Trade Remedies:** The Office of Policy works actively to advance U.S. interests in the WTO rules negotiations by supporting strong, effective, and transparent trade remedy disciplines that address injurious dumping and unfair subsidization in the marketplace. The office's primary objective in these negotiations is to maintain and enhance the U.S. ability to address and curtail trade-distorting practices that interfere with and undermine the optimal operation of a liberalized trading system, thereby denying U.S. firms and workers their full share of benefits under such a system. In addition, the office participates in the antidumping committee, the subsidies committee, the safeguard committee and any other committee that could affect U.S. trade remedy interests, including the rules of origin committee. A key role in participating in these committees is to closely monitor China's compliance with its WTO accession protocol, which includes investigating China's antidumping and subsidies practices through mechanisms such as the annual transitional review. The office also assists countries to meet WTO obligations through technical assistance. These efforts are greatly enhanced by a senior IA official

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permanently stationed in Geneva, Switzerland, who works directly with the United States Trade Representative and WTO staff on the ground to advance U.S. priorities in this area.

- **Free Trade Agreement Negotiations:** IA is actively involved in FTA negotiations. IA supports the United States Trade Representative in ensuring that the objectives outlined in Trade Promotion Authority with respect to trade remedies are met. Specifically, IA supports bilateral safeguard negotiations and works to maintain the effectiveness of U.S. AD/CVD laws. Further, IA closely monitors negotiations in areas such as competition, agriculture and market access, providing input where needed to maintain consistency on issues such as subsidies, the role of state trading enterprises and monopolies.
- **Trade Remedy Compliance:** The Trade Remedy Compliance Staff (TRCS) was established in 2001 as part of Congressionally mandated government-wide trade compliance and market access initiative. The TRCS tracks other countries' use of trade remedies, including AD and CVD laws, monitors and analyzes subsidy programs used by our major Asian trading partners, and provides a point of contact for U.S. companies facing potential unfair trade problems arising from such countries. These efforts are led both by a team of technical experts in Washington, D.C., and three overseas-based Import Administration officers – currently stationed in Beijing, China, Seoul, Korea and Geneva, Switzerland – who coordinate closely with other agencies of the U.S. Government and the business community in an effort to pro-actively identify and resolve problems before they develop into trade disputes. TRCS works with many U.S. companies experiencing difficulties with other countries' antidumping actions, including engaging the foreign governments when circumstances warrant and, if necessary, assisting the United States Trade Representative in addressing such problems at the WTO. A key facet of the TRCS is to promote, through technical exchanges and other outreach programs, improved transparency and fairness on the part of foreign governments in administering their unfair trade laws, and a greater awareness of the administration and rationale of U.S. antidumping proceedings.
- **Bilateral Agreements:** As a part of IA's FY2004 reorganization, responsibility for the negotiation and administration of AD and CVD duty suspension and settlement agreements was placed in a new Bilateral Agreements Unit in the Office of Policy. By consolidating this work within a dedicated team, IA improved its ability to ensure greater consistency across agreements, where appropriate, and to develop further the expertise of the team members responsible for supporting the negotiation and administration of these agreements. This consolidation enabled IA to deploy its resources more strategically by pairing this function with other negotiating and policy implementation activities being carried out by the office. Since the reorganization, the bilateral agreements team has focused on the administration of several existing suspension agreements with Russia, Ukraine and Mexico, covering products ranging from steel to uranium to tomatoes. In 2006, the unit negotiated an agreement with the Government of Mexico regarding bilateral trade in cement and is spear-heading the interagency effort to negotiate an amendment to the Suspension Agreement on uranium from Russia.
- **Pre-Petition Counseling:** The office expanded its outreach efforts to industries and workers harmed by unfair trade –particularly small- and medium-sized firms that may be unfamiliar with the remedies available under the trade laws or that may be unable to afford legal assistance. In the past two years, the office conducted more than 300 initial and follow-up petition-counseling sessions with a wide variety of firms, including numerous small- and medium-sized businesses. This activity was previously performed on an *ad hoc* basis by the various Operations offices, but was transferred to the Office of Policy to centralize IA's petition counseling activities and resources for AD/CVD casework. The office also plays a crucial role in the evaluation of petitions for initiation, providing valuable support to the Operations offices during the initiation stage of AD/CVD investigation.
- **Steel Import Monitoring and Analysis:** The Steel Import Monitoring and Analysis (SIMA) system was created as part of the President's Steel Initiative to address persistent and fundamental structural problems in the global steel industry, such as overcapacity and market-distorting government practices, that

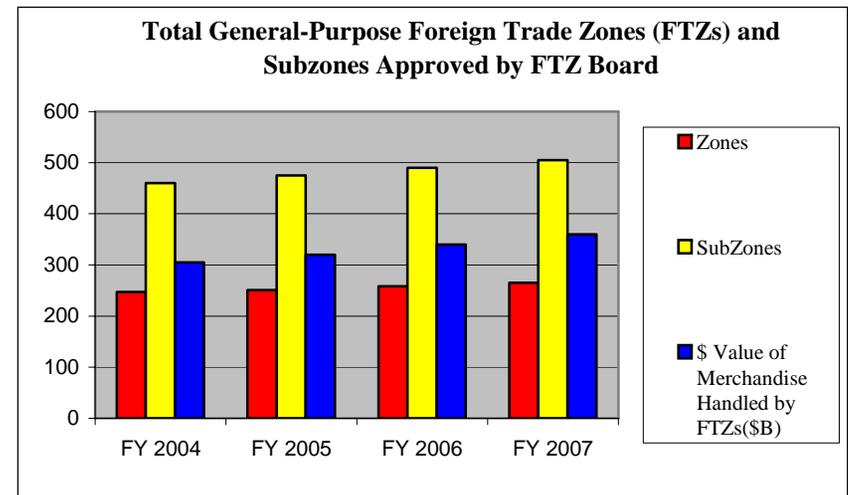
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resulted in trade frictions and instability. The SIMA system is a web-based steel import licensing and monitoring program that provides the Administration and the public with the earliest accurate information possible regarding steel imports. The system was recently extended until March 2009 and expanded to cover imports of all basic steel mill products. More than 1.3 million import licenses have been issued by IA's web-based system since its inception in March 2003. The SIMA group is also helping to develop a web-based NAFTA steel monitoring system as part of the North American Steel Trade Committee's Steel Strategy under the Security and Prosperity Partnership.

- **Unfair Trade Practices Task Force:** The Unfair Trade Practices Task Force was established as one of the initiatives proposed in the Department of Commerce's Manufacturing Report. By pro-actively analyzing market trends and foreign government and business practices to identify potential unfair trade problems at the earliest stage possible, the Unfair Trade Practices Task Force brings together a variety of trade experts and economists with a broad range of experience in addressing unfair trade issues involving dumping, subsidies, and import surges. The Task Force identifies and/or evaluates on average about 200 unfair trade practices each fiscal year, of which approximately 75 relate to China.

**Textiles and Apparel Program**

IA administers and enforces agreements concerning textile and apparel products. The Deputy Assistant Secretary (DAS) for Textiles and Apparel has an array of responsibilities with respect to ensuring fair trade and a level playing field for the U.S. fiber, textile, and apparel industries. The DAS seeks and evaluates industry views on international trade issues affecting the textile and apparel industries; formulates textile policy positions on proposed trade agreements and legislative initiatives; provides key technical support to the United States Trade Representative for negotiating the textiles and apparel chapter in each FTA; and participates in the negotiation of multilateral and bilateral agreements. Furthermore, the DAS administers provisions of U.S. trade agreements and preference programs, such as commercial availability provisions, wool fabric tariff rate quotas, handloom/folklore, and other provisions; and chairs the interagency Committee for the Implementation of Textile Agreements (CITA) which sets policy on textile safeguard actions, actions against illegal transshipment, and other textile related issues. In FY 2005, the staff undertook nine safeguard actions, which were valued at \$6.6 billion. In addition, the DAS supported the U.S.-China Textile Agreement negotiations. The Agreement's broad product coverage and three-year lifespan will allow all private-sector stakeholders to plan in a more stable and predictable environment and give U.S. textile sellers better access to the Chinese market. The Agreement's safeguard mechanism allows for additional quotas should imports from China cause or threaten a domestic market. The DAS has the responsibility of monitoring and enforcing this Agreement. The DAS has an active export-promotion program that assists small- and medium-sized U.S. textile and apparel firms to develop and expand their export markets. In FY 2006, the staff generated more than 3,100 trade leads for U.S. textile and apparel firms



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resulting in projected sales of more than \$71 million. The DAS works closely with other IA personnel responsible for subsidies and IPR, concerning China and other countries, to ensure coordinated and well-supported responses to issues affecting textile and apparel trade.

**Foreign-Trade Zones Program**

IA administers the Foreign-Trade Zones (FTZ) Program. The FTZ staff serves as the operational arm of the FTZ Board, an interagency body chaired by the Secretary of Commerce. The Board was established to license (grants of authority) and regulate foreign trade zones (customs free zones) under the FTZ Act of 1934 (19 USC 81) and the Board's regulations (15 CFR 400). Foreign-Trade Zones are sponsored by public or public-type corporations, with some operated by private corporations under agreement with licensees. The Act's public utility requirement calls for reasonable and non-discriminatory rates. As of the end of FY 2006, there were 255 zones and 488 sub-zones in the United States employing over 300,000 persons. The volume of exports leaving U.S. foreign-trade zones amounted to \$20 billion in FY2005 and an estimated \$21 billion in FY 2006.

The formal applications approved for FY 2006 included six for new general-purpose zones (GPZ) projects, 20 for expansions of existing GPZ and 18 for new sub-zones. One of the formal reviews was withdrawn and terminated prior to final action. In reviewing new manufacturing in zones and sub-zones in terms of the public interest, the Board evaluates the net economic effect of the proposed operation, considering such factors as: public policy, import penetration, export development, employment impact, and impact on domestic industry. Zone savings are designed to help improve the international competitiveness of U.S. industries. States and local communities use zones as an element of their economic development efforts. FTZ activity is monitored for compliance with application scope and compliance with FTZ Board grant restrictions.

**Statutory Import Program**

IA manages the Statutory Import Program Staff (SIPS), which administers and regulates the U.S. Insular Possessions Watch and Jewelry Programs authorized by P.L. 97-446, as amended by P.L. 103-465, P.L. 106-36 and P.L. 108-429 and the Educational Scientific and Cultural Materials Importation Act (Florence Agreement) authorized by P.L. 89-651, as amended by P.L. 106-36. The Insular Watch Assembly Program provides duty-exemption allocations for watches and watch movements entering the U.S. and duty-refund benefits, based on creditable wages and fringe benefits, to watch producers located in the U.S. Insular Possessions (Virgin Islands, Guam, American Samoa, and the Northern Marianas Islands). The Insular Possessions Jewelry Program provides a duty-refund benefit, based on creditable wages and fringe benefits, to jewelry manufacturers located in the Insular Possessions. The Florence Agreement Program implements U.S. treaty obligations under Annex D of the UNESCO sponsored Florence Agreement by determining whether scientific instruments imported into the U.S. by non-profit institutions qualify for duty-free entry. This program allows the duty-free flow of scientific instruments to universities and other non-profit institutions to encourage research and education, as long as equivalent scientific instruments are not being produced in the United States. The staff also record and tabulate data on the duty-free entry of articles for the handicapped under Annex E (ii) of the Nairobi Protocol in accordance with the safeguard provision of P.L. 100-418, as amended by P.L. 100-647. The safeguard provision allows U.S. companies or industries to petition to have the duties reinstated if U.S. companies or industries are being adversely impacted by the duty-free entry of certain articles for the handicapped. Also, SIPS provides input on trade policy issues involving watches, jewelry, scientific instruments and articles for the handicapped.

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**Summary of Workload and Performance Data**

<b>ITA Performance Goal: Identify and Resolve Unfair Trade Practices</b>	<b>FY 2005 Actual</b>	<b>FY 2006 Actual</b>	<b>FY 2007 Target</b>	<b>FY 2008 Target</b>
Number of trade negotiations led and/or supported by IA	New	42	**	**
Percent of identified market access and trade compliance issues for U.S. textile firms resolved	New	83%	80%	80%
Percent of commercial availability petitions processed within statutory deadlines	New	100%	100%	100%
Dollar of textiles & apparel trade covered by the FTA negotiations (\$ in billions)	\$26	\$26	\$26	\$26
Number of textile and apparel sales leads generated	2,696	3,167	2,750	2,750
Dollar value of immediate textile and apparel sales generated (\$ in millions)	\$11	\$16	\$10	\$10
Dollar value of projected textile and apparel sales generated (\$ in millions)	\$47	\$72	\$65	\$65
Percent of AD/CVD Proceedings, completed within statutory deadlines	100%	100%	100%	100%
Number of investigations completed	32	11	**	**
Number of administrative reviews completed	103	135	**	**
Number of new shippers reviews completed	14	16	**	**
Number of sunset reviews completed	105	92	**	**
Percentage of AD/CVD determinations issued within statutory deadlines	100%	100%	100%	100%
Number of investigation determinations issued	44	20	**	**
Number of administrative review determinations issued	156	179	**	**
Number of new shipper review determinations issued	14	18	**	**
Number of sunset review determinations issued	102	97	**	**
Percent of instructions sent to U.S. CBP on a timely basis	New	76%	80%	80%
Percent of ministerial errors in IA's dumping and subsidy calculations	New	<8.6%	<15%	<15%
Average time to post to the Internet final decisions in IA proceedings	New	1.2 days	1 day	1day

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<b>ITA Performance Goal: Identify and Resolve Unfair Trade Practices</b>	<b>FY 2005 Actual</b>	<b>FY 2006 Actual</b>	<b>FY 2007 Target</b>	<b>FY 2008 Target</b>
Percent of IA resources devoted to China enforcement issues	18%	16%	16%	16%
Percent of China safeguard actions completed on time	New	100%	90%	90%
Percent of wool fabric tariff rate quota licenses issued on time	New	100%	100%	100%
Number of new AD/CVD petition counseling sessions conducted by IA staff	76	40	**	**
Number of continued AD/CVD petition counseling sessions conducted by IA staff	157	54	**	**
Average time to process new Foreign Trade Zones (FTZ) applications	New	11 months	10 months	10 months
Number of new FTZ application reviews initiated	67	59	68	68
Number of new FTZ board actions and orders issued	62	67	68	68
Number of FTZ and FTZ subzones in operation (estimates)	370	380	390	390
Dollar value of merchandise handled by FTZs (\$ in billions) (estimates)	\$320	\$395	\$395	\$395
Dollar value of exports (\$ in billions) (estimates)	\$20	\$21	\$22	\$22
Percent of applications for duty-free treatment of scientific instruments processed in 60 days	New	82%	60%	60%
Percent of insular watch duty exemptions and insular watch and jewelry duty-refund benefits issued to the U.S. companies within the statutory and regulatory deadlines	New	100%	85%	85%
Number of duty-free applications processed	50	63	65	65
Dollar value of duty-free scientific equipment imported and made available to U.S. non-profit institutions (\$ in millions)	\$25	\$30	\$30	\$30
Dollar value of duty-free articles imported to improve quality of life for disabled (\$ in millions)	\$395	\$300	\$300	\$300
Number of potential unfair trade practices identified and/or under evaluation	New	439	**	**
Percent of identified unfair trade practices and foreign trade remedy proceedings affecting U.S. parties addressed through informal/formal intervention or dispute settlement	New	55%	**	**
Number of potential unfair trade practices in China identified and/or under evaluation	New	190	**	**

Note:      \*\*As these measures are highly influenced by outside trade factors, it is not possible to develop reliable estimates.

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**Exhibit 10**

**PROGRAM AND PERFORMANCE: DIRECT OBLIGATIONS**  
(Dollar Amount in Thousands)

**Activity:** International Trade Administration  
**Subactivity:** Trade Promotion and US & Foreign Commercial Service

		2006		2007		2008		2008		Increase/ (Decrease)	
		Actual		Currently Available		Base		Estimate			
		Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount
Broaden and Deepen the U.S. Exporter Base	Pos./Gross BA	1,155	229,484	1,301	228,839	1,301	240,702	1,301	240,702	0	0
	Pos./Net BA	1,155	224,164	1,301	222,839	1,301	229,702	1,301	229,702	0	0
	FTE/OBL.	1,149	236,398	1,254	225,951	1,254	229,702	1,254	229,702	0	0
	Fees	0	5,320	0	6,000	0	11,000	0	11,000	0	0
<b>Direct Obligations</b>	<b>Pos./Gross BA</b>	1,155	229,484	1,301	228,839	1,301	240,702	1,301	240,702	0	0
	<b>Pos./Net BA</b>	1,155	224,164	1,301	222,839	1,301	229,702	1,301	229,702	0	0
	<b>FTE/OBL.</b>	1,149	236,398	1,254	225,951	1,254	229,702	1,254	229,702	0	0
	<b>Fees</b>	0	5,320	0	6,000	0	11,000	0	11,000	0	0

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Exhibit 12

**JUSTIFICATION OF PROGRAM AND PERFORMANCE  
TRADE PROMOTION AND THE UNITED STATES AND FOREIGN COMMERCIAL SERVICE**

**America's Global Business Partner**

**Department of Commerce Goal 1**

Provide the information and tools to maximize U.S. competitiveness and enable economic growth for American industries, workers and consumers.

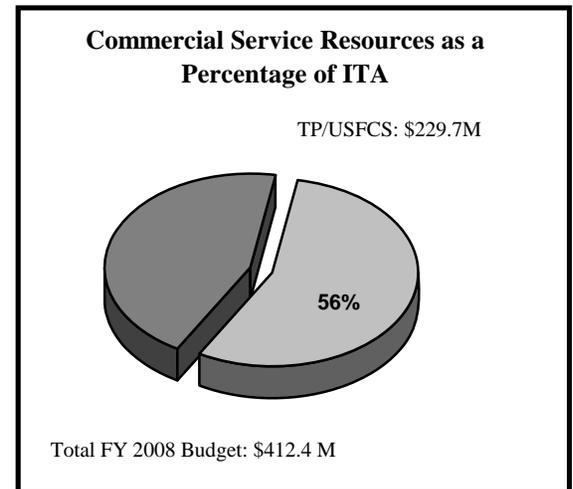
**Mission and Goals for FY 2008**

The statutory mission of Trade Promotion and the United States and Foreign Commercial Service (Commercial Service) is to “place primary emphasis on the promotion of goods and services from the United States, particularly by small and medium-sized enterprises (SMEs), and on the protection of U.S. business interests abroad.”<sup>5</sup>

The Commercial Service's mission is aligned with ITA's goal to “Broaden and Deepen the U.S. Exporter Base.” The Commercial Service also supports other ITA-wide goals such as: “Advance U.S. International and Commercial Strategic Interests” and “Identify and Resolve Unfair Trade Practices.” The Commercial Service achieves its mission and goals by:

- Increasing the number of U.S. companies exporting;
- Helping current exporters enter additional markets;
- Helping current exporters expand their presence within markets;
- Advocating for U.S. firms competing for foreign commercial opportunities;
- Creating market access through policy advocacy and the support of trade negotiations;
- Leveraging commercial programs to support U.S. foreign economic policy priorities;
- Ensuring compliance with trade agreements; and,
- Protecting U.S. business interests abroad.

In FY 2005, the Commercial Service facilitated 12,491 export transactions, a twelve percent increase from FY 2001. Of these transactions, 82 percent were for small and medium-sized businesses, five percent were for companies exporting for the first time, and 39 percent were for companies exporting to new markets. The Commercial Service's focus on traditionally under-served communities resulted in over 600 transactions for rural companies, over 180 transactions for minority-owned businesses, and 190 transactions for women-owned businesses. The advocacy caseload grew 45 percent between FY 2003 and mid-year FY 2006.



<sup>5</sup> Source: The Omnibus Trade and Competitiveness Act of 1988.

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**Base Program**

The Commercial Service fulfills its mission through a unique global network of trade professionals located in over 250 offices domestically and internationally. The Commercial Service coordinates its efforts with state, local, and other federal partners through memoranda of understanding to multiply its impact and ensure there is no overlap in services. Additionally, the Commercial Service began establishing strategic partnerships with the private sector in FY 2003. To date, the Commercial Service has partnerships with FedEx Corp, eBay, Inc., and PNC Bank and additional partnerships under development. These partnerships will help the Commercial Service increase its client base by leveraging the resources and expertise of its partners to raise the awareness of the Commercial Service brand, its program and services. The partnerships will assist in the development and support of outreach events such as U.S. export education seminars and conferences and in the joint development of marketing and direct mail materials for the Commercial Service' programs

The Commercial Service dedicates resources to capitalize on export opportunities identified by trade patterns; facilitates outreach to traditionally under-served rural and minority communities; coordinates with multiplier organizations,<sup>6</sup> and provides support for compliance, advocacy, and trade policy initiatives (e.g., Free Trade Agreements, manufacturing initiatives).

The Commercial Service is leading ITA's upgrade of its client relationship management system to create a unified, enterprise-wide view of the customer, and by presenting a single "face" to U.S. businesses. This system will ensure that communication with U.S. businesses is handled in a timely manner through customer-preferred channels. The Commercial Service will support the Asia Pacific Partnership beginning in FY 2007 through Trade Missions, Buyer Missions, and other outreach events.

The Commercial Service provides an array of services and customized solutions to help U.S. companies export goods and services:

Export Promotion

- *Counseling*, which assists U.S. companies develop export-marketing plans, including overseas product pricing, best prospects, market entry strategies, distribution channels, export financing, and access to the full range of public (both federal and state) and private assistance;
- *Market intelligence*, which includes alerts about export opportunities created through international trade agreements and negotiations, and industry- and market-specific research; and
- *Matchmaking*, which includes identifying qualified overseas agents, distributors, and other partners and end users; market-sensitive trade events; and reverse business forums.

Advocacy

- *Interagency coordination*, which includes assessing advocacy requests, providing overseas government-to-government advocacy, and supporting other trade-related agencies (e.g., Department of State, U.S. Trade Representative, Export-Import Bank, Overseas Private Investment Corporation, and the Trade Development Agency);
- *Major projects*, which includes identifying major overseas projects and procurement opportunities (including those funded by multilateral development banks), alerting U.S. firms to these opportunities, and advocating on behalf of U.S. firms bidding on projects; and

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<sup>6</sup> More than 2/3 of domestic offices are co-located with other federal, state, and local partners to provide clients access to one-stop shops and prevent duplication of services. Many of these organizations provide the continuum of services to ensure all clients' needs are met (e.g., from how to start a business, to how-to-export seminars, to sophisticated federal export-finance assistance).

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- *Finance*, which includes working with trade–finance agencies to help U.S. companies successfully bid on major projects.

Compliance

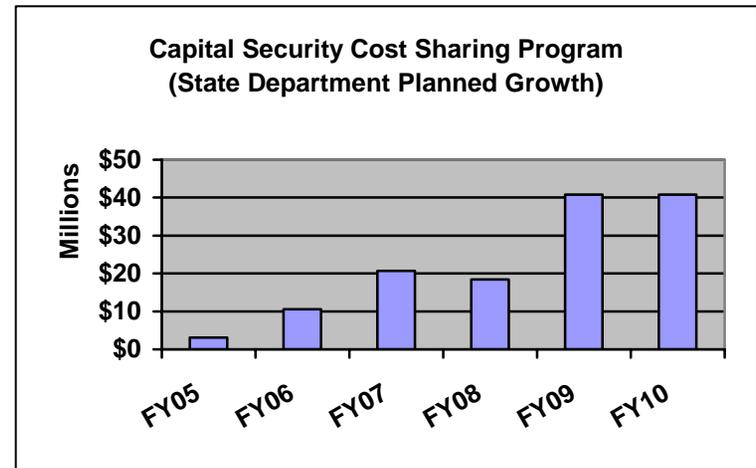
- *Trade barriers*, which includes working with ITA’s compliance offices and the United States Trade Representative to identify and resolve barriers affecting American small- and medium-sized businesses and ensuring overseas compliance with trade law and regulations;
- *Public outreach*, which identifies overseas market access, dumping, and subsidy problems, and works with ITA compliance offices for resolution; and
- *Analysis*, which identifies violations and access problems, and feeds information to headquarters for coordination and policy direction.

The Commercial Service uses five e–commerce tools to help U.S. business evaluate new overseas markets and take advantage of foreign sales opportunities:

- Export.gov, which distributes Commercial Service public information on export markets, including business opportunities, regulatory issues, and trade policy;
- BuyUSA.gov, the Commercial Service’s field–based web presence that matches U.S. exporters and foreign buyers;
- ITA Ourplace (e–Menu), an Intranet site, which supports the management of ITA products and services, personnel and financial tracking;
- ITA’s knowledge–management system, known as the “DOC Insider”; and
- Lotus Notes databases, which provide an international data–sharing tool and e–mail system.

The Commercial Service also manages a strategic professional development program. This program includes compliance training for all staff, human rights and customer service training, recurrent tradecraft training, and leadership development and ensures that Commercial Service trade professionals remain in touch with developments in the global economy. The Commercial Service supplements core e–commerce tools with worldwide videoconferencing, designed to lower the cost of doing business for U.S. small- and medium-sized businesses, and instant Internet meetings to improve coordination, improve training opportunities, and lower travel costs.

The Commercial Service’s overseas offices cover 94 percent of global GDP outside the United States. About seventy-five percent of these offices are located in U.S. embassies and consulates. The Department of State plans to build 155 new embassy compounds over a 14–year period for a total of \$17.5 billion. Under the Capital Security Cost Sharing (CSCS) program, the Department of State charges agencies represented in these compounds on a per capita basis. The Commercial Service’s share for FY 2008 will be approximately \$18.4 million, a decrease of \$2.3 million below levels supported by the FY 2007 President’s Budget. The CSCS charges are projected by the Department of State to increase to approximately \$40.8 million by FY 2010, and remain steady at that amount through FY 2018. Without these requested funds, ITA will significantly reduce its overseas presence.



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**Summary of Workload and Performance Data**

<b>ITA Performance Goal: Expand and Deepen the U.S. Exporter Base</b>	<b>FY 2005 Actual</b>	<b>FY 2006 Actual</b>	<b>FY 2007 Target</b>	<b>FY 2008 Target</b>
Number of export successes made as a result of ITA involvement	12,518	11,919	11,385	11,385
Number of U.S. new to export successes	620	511	700	700
Number of new-to-market export successes	4,888	4,110	4,760	4,760
Number of increase-to-market export successes	N/A	7,258	5,925	5,925
Percentage of Commercial Service fee funded programs <sup>7</sup>	N/A	2%	Discontinued	Discontinued
Percentage of advocacy cases completed successfully	12%	12%	12%	12%
Dollar value of advocacy cases completed successfully	N/A	\$33.2 B <sup>8</sup>	\$5.0 B	\$5.0 B

<sup>7</sup> Fiscal Year 2006 fee funded programs is an annual percentage.

<sup>8</sup> The FY 2006 number is an anomaly. These numbers are extremely high due to six airline purchase agreements that were signed valuing \$7.0 billion (with \$5.6 billion in U.S. content).

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**Exhibit 10**

**PROGRAM AND PERFORMANCE: DIRECT OBLIGATIONS**  
(Dollar Amount in Thousands)

**Activity: International Trade Administration**  
**Subactivity: Executive Direction/Administration**

		2006		2007		2008		2008		Increase/ (Decrease)	
		Actual		Currently Available		Base		Estimate			
		Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount
<b><u>Performance Goal</u></b>											
Enhance U.S. Competitiveness in the Global Market Place	Pos./Gross BA	16	3,330	20	3,264	18	3,193	18	3,193	0	0
	Pos./Net BA	16	3,314	20	3,264	18	3,193	18	3,193	0	0
	FTE/OBL.	16	3,450	17	3,264	16	3,193	16	3,193	0	0
	Fees	0	16	0	0	0	0	0	0	0	0
Broaden and Deepen the U.S. Exporter Base	Pos./Gross BA	71	14,855	89	15,446	90	15,962	90	15,962	0	0
	Pos./Net BA	71	14,785	89	15,446	90	15,962	90	15,962	0	0
	FTE/OBL.	71	15,392	82	15,446	81	15,962	81	15,962	0	0
	Fees	0	70	0	0	0	0	0	0	0	0
Identify and Resolve Unfair Trade Practices	Pos./Gross BA	36	7,427	40	6,780	42	7,449	42	7,449	0	0
	Pos./Net BA	36	7,392	40	6,780	42	7,449	42	7,449	0	0
	FTE/OBL.	35	7,696	36	6,780	38	7,449	38	7,449	0	0
	Fees	0	35	0	0	0	0	0	0	0	0
<b>Direct Obligations</b>	<b>Pos./Gross BA</b>	<b>123</b>	<b>25,612</b>	<b>150</b>	<b>25,490</b>	<b>150</b>	<b>26,604</b>	<b>150</b>	<b>26,604</b>	<b>0</b>	<b>0</b>
	<b>Pos./Net BA</b>	<b>123</b>	<b>25,491</b>	<b>150</b>	<b>25,490</b>	<b>150</b>	<b>26,604</b>	<b>150</b>	<b>26,604</b>	<b>0</b>	<b>0</b>
	<b>FTE/OBL.</b>	<b>122</b>	<b>26,538</b>	<b>135</b>	<b>25,490</b>	<b>135</b>	<b>26,604</b>	<b>135</b>	<b>26,604</b>	<b>0</b>	<b>0</b>
	<b>Fees</b>	<b>0</b>	<b>121</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

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Exhibit 12

JUSTIFICATION OF PROGRAM AND PERFORMANCE  
EXECUTIVE DIRECTION AND ADMINISTRATION

## Supporting Trade Through Leadership and Effective Resource Management

### Department of Commerce Goal 1

Provide the information and tools to maximize U.S. competitiveness and enable economic growth for American industries, workers and consumers.

### Mission and Goals for FY 2008

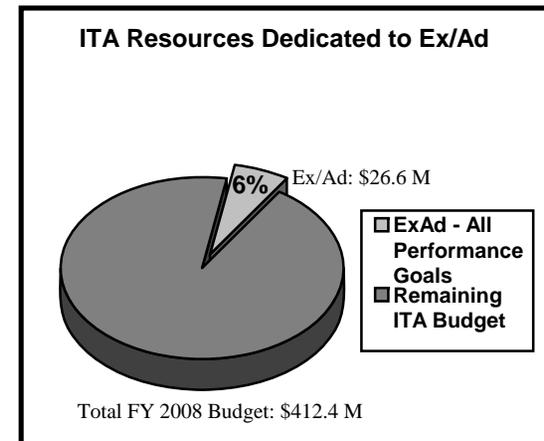
The mission of the Executive Direction and Administration (Ex/Ad) unit is to achieve U.S. trade expansion and economic growth through leadership, well-conceived policy guidance, and efficient and effective management of ITA resources. In FY 2008, Ex/Ad will provide the necessary support services, program oversight, and overall policy leadership to allow ITA program units to operate at their full potential. Information Technology (IT) will continue to make technological improvements to its systems and provide IT solutions in order to help make ITA's services seamless and ITA's processes more efficient.

Ex/Ad supports all three ITA-wide strategic goals:

- Goal 1 – Enhance U.S. Competitiveness in the Global Marketplace
- Goal 2 – Broaden and Deepen the U.S. Exporter Base
- Goal 3 – Identify and Resolve Unfair Trade Practices

### Base Program

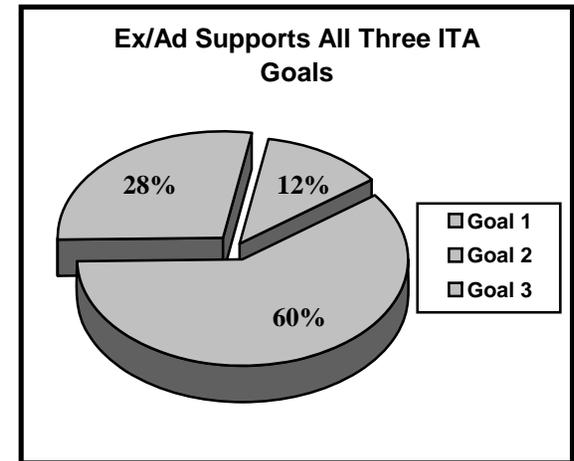
The Executive Direction and Administration program includes offices under the Under Secretary of International Trade, the Chief Financial Officer and Director of Administration, and the Chief Information Officer. Programs and issues concerning trade administration, commercial policy, and trade development are coordinated with the Department of Commerce, ITA customers and stakeholders, trade organizations, foreign entities, and federal, state and local governments through the Office of the Under Secretary and Deputy Under Secretary for International Trade, the Office of Legislative and Intergovernmental Affairs (OLIA), and the Office of Public Affairs (OPA). For example, Executive Direction represents ITA on the National Economic Council Deputies, the Trade Policy Review Group, and serves as ex-officio member of the Board of the Export-Import Bank of the United States, and on other Secretarial-level boards, committees or panels for which the primary focus is international trade. OLIA acts as a liaison to the U.S. government's legislative branch. Through its work, OLIA informs Congress of the important successes ITA makes and keeps ITA aware of new, trade-related legislative initiatives. OPA broadcasts ITA's services and successes to the appropriate press and business audiences in the U.S. and around the world. OPA publishes a monthly electronic newsletter, International Trade Update, which highlights ITA's efforts, its clients' successes, and provides a resource for small- and medium-sized enterprises interested in exporting.



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The Chief Financial Officer and Director of Administration, through the Offices of Financial Management, Organization and Management Support, and Human Resources Management, oversees the agency's resources and measures program performance to maintain ITA's superior efforts. These offices provide services and manage the administrative aspects of ITA, and thus ensure that the needs of ITA clients and employees are fulfilled. ITA understands the importance of using reliable and accurate financial data, and the ability of this data to demonstrate the proud achievements of the organization. CFO/Administration is looking forward to implementing a new Accounting and Management system, the Commerce Business Systems, which will enable ITA to utilize its resources and facilitate implementation of recommendations made by the ITA Fee Study and in the Commercial Service Program Assessment Rating Tool regarding activity-based costing and fees.

Ex/Ad also contributes to ITA's efforts in providing advanced, technical solutions to trade. The Office of the Chief Information Officer provides centralized strategic and operational management of Information Technology (IT) resources, maximizing information control and security on a global basis and overseeing platform standardization, training and life cycle management. In addition, the Office of the Chief Information Officer oversees the administration of ITA's advanced Internet portal Export.gov ([www.export.gov](http://www.export.gov)). By providing the necessary IT tools and maintenance, the CIO provides a link that customers around the world may use to research trade issues, understand trade agreements and become knowledgeable about the export process. Not only does the CIO's office provide ITA's customers with an important and useful tool to learn about exporting, and thus champion trade, but also integrates many of the facets of ITA's organizational efforts into one seamless and unified informational space.



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**Summary of Workload and Performance Data\***

	<b>FY 2005 Actual</b>	<b>FY 2006 Actual</b>	<b>FY 2007 Estimate</b>	<b>FY 2008 Estimate</b>
Customer satisfaction survey score	70	70	70	71
Level of awareness of ITA products and services	77%	80%	Discontinued	Discontinued
Customer perception for ease of access to export and trade information and data	74	73	73	75

\* Measure data is reported annually and/or aggregated to demonstrate progress over three to five years.

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**Exhibit 16**

**REQUIREMENTS BY OBJECT CLASS  
(Dollar Amount in Thousands)**

<u>Object Class</u>	<u>2006 Actual</u>	<u>2007 Currently available</u>	<u>2008 Base</u>	<u>2008 Estimate</u>	<u>Increase/ (Decrease)</u>
11 Personnel compensation					
11.1 Full-time permanent	152,377	153,032	165,589	166,156	567
11.3 Other than full-time permanent	17,122	17,499	18,141	18,141	0
11.5 Other personnel compensation	6,305	6,444	6,650	6,667	17
11.8 Special personnel services payments	1,938	0	7	7	0
11.9 Total personnel compensation	<u>177,742</u>	<u>176,974</u>	<u>190,387</u>	<u>190,970</u>	<u>584</u>
12.1 Civilian personnel benefits	49,319	51,550	52,766	52,895	129
13 Benefits for former personnel	3,834	3,918	3,918	3,918	0
21 Travel and transportation of persons	15,062	15,055	14,002	14,102	100
22 Transportation of things	2,040	2,077	2,119	2,129	10
23.1 Rental payments to GSA	14,443	14,703	14,078	14,078	0
23.3 Communications, utilities and miscellaneous charges	6,709	6,094	6,201	6,296	95
23.2 Rental payments to others	3,093	3,149	3,477	3,477	0
24 Printing and reproduction	1,900	1,967	1,790	1,806	15
25.1 Consulting services	2,603	2,650	2,650	2,650	0
25.2 Other services	29,324	34,130	26,496	26,775	279
25.3 Purchase of goods and services from Gov't accounts	79,178	77,821	82,252	82,315	63
25.4 Operations and maintenance of facilities	88	90	90	90	0
25.7 Operations and maintenance of equipment	923	939	939	939	0
26 Supplies and materials	4,051	4,123	4,206	4,226	20
31 Equipment	5,839	5,510	5,632	5,647	15
32 Lands and structures	0	0	0	0	0
33 Investments and loans	0	0	0	0	0
41 Grants, subsidies and contributions	19,154	0	0	0	0
42 Insurance claims and indemnities	26	26	26	26	0
43 Interest and dividends	0	0	0	0	0
81 Advances	0	0	0	0	0
44 Refunds	(91)	0	91	91	0
99 Total Direct Obligations	<u>415,239</u>	<u>400,777</u>	<u>411,121</u>	<u>412,431</u>	<u>1,310</u>
Less Prior Year Recoveries	(15,874)	0	0	0	0
Less Unobligated balance, start of year	(7,886)	(6,752)	0	0	0
Less Unobligated balance, carryover	0	0	0	0	0
Plus Unobligated balance, expiring	205	0	0	0	0
Plus Unobligated balance, end of year	6,752	0	0	0	0
Less Unobligated balance, Transfers from other accounts	(1,150)	0	0	0	0
Net Budget Authority	<u>397,285</u>	<u>394,025</u>	<u>411,121</u>	<u>412,431</u>	<u>1,310</u>

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**REQUIREMENTS BY OBJECT CLASS  
(Dollar Amount in Thousands)**

<u>Object Class</u>	<u>2006 Actual</u>	<u>2007 Currently available</u>	<u>2008 Base</u>	<u>2008 Estimate</u>
<u>Personnel Data</u>				
Full-Time equivalent Employment:				
Full-time permanent	1,459	2,007	2,007	2,015
Other than full-time permanent	598	210	210	210
Total	2,057	2,217	2,217	2,225
Authorized Positions:				
Full-time permanent	1,499	2,067	2,067	2,079
Other than full-time permanent	556	226	226	226
Total	2,055	2,293	2,293	2,305

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Exhibit 16

REQUIREMENTS BY OBJECT CLASS  
United States Travel and Tourism Promotion  
(Dollar Amount in Thousands)

Object Class	2006 Actual	2007 Currently Available	2008 Base	2008 Estimate	Increase/ Decrease
11.1 Full-time permanent (Compensation)	0	0	0	0	0
11.3 Other than full-time permanent	0	0	0	0	0
11.5 Other personnel compensation	0	0	0	0	0
11.8 Special personnel services payments	0	0	0	0	0
<b>11.9 Total personnel compensation</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
12.1 Civilian personnel benefits	0	0	0	0	0
13 Benefits for former personnel	0	0	0	0	0
21 Travel and transportation of persons	36	3,494	0	0	0
22 Transportation of things	0	0	0	0	0
23 Rent, communications & utilities	0	0	0	0	0
23.1 Rental payments to GSA	0	0	0	0	0
23.2 Commun., util., misc. charges	0	0	0	0	0
23.3 Rental payments to others	0	0	0	0	0
24 Printing and reproduction	0	0	0	0	0
25 Consulting and other services	0	0	0	0	0
25.1 Consulting services	6	497	0	0	0
25.2 Other services	0	0	0	0	0
25.3 Purchase of goods & services from Gov't account	0	0	0	0	0
25.7 Operation & maintenance of equipment	0	0	0	0	0
26 Supplies and materials	0	0	0	0	0
31 Equipment	0	0	0	0	0
32 Lands and structures	0	0	0	0	0
33 Investments and loans	0	0	0	0	0
41 Grants, subsidies and contributions	0	0	0	0	0
42 Insurance claims and indemnities	0	0	0	0	0
43 Interest and dividends	0	0	0	0	0
44 Refunds	0	0	0	0	0
44 Refunds	0	0	0	0	0
<b>99.9 Total Direct Obligations</b>	<b>42</b>	<b>3,991</b>	<b>0</b>	<b>0</b>	<b>0</b>
Less prior year recoveries	0	0	0	0	0
Less prior year unobligated balance	(119)	(3,949)	0	0	0
Unobligated balance, end of year	3,949	0	0	0	0
Unobligated balance expiring	77	0	0	0	0
Total Budget Authority	3,949	42	0	0	0

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Exhibit 16

REQUIREMENTS BY OBJECT CLASS

Manufacturers of Worsted Wool  
(Dollar Amount in Thousands)

<u>Object Class</u>	2006 Actual	2007 Currently Available	2008 Base	2008 Estimate	Increase/ Decrease
11.1 Full-time permanent (Compensation)	0	0	0	0	0
11.3 Other than full-time permanent	0	0	0	0	0
11.5 Other personnel compensation	0	0	0	0	0
11.8 Special personnel services payments	0	0	0	0	0
<b>11.9 Total personnel compensation</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
12.1 Civilian personnel benefits	0	0	0	0	0
13 Benefits for former personnel	0	0	0	0	0
21 Travel and transportation of persons	0	0	0	0	0
22 Transportation of things	0	0	0	0	0
23 Rent, communications & utilities	0	0	0	0	0
23.1 Rental payments to GSA	0	0	0	0	0
23.2 Commun., util., misc. charges	0	0	0	0	0
23.3 Rental payments to others	0	0	0	0	0
24 Printing and reproduction	0	0	0	0	0
25 Consulting and other services	0	0	0	0	0
25.1 Consulting services	0	0	0	0	0
25.2 Other services	0	0	0	0	0
25.3 Purchase of goods & services from Gov't account	0	0	0	0	0
25.7 Operation & maintenance of equipment	0	0	0	0	0
26 Supplies and materials	0	0	0	0	0
31 Equipment	0	0	0	0	0
32 Lands and structures	0	0	0	0	0
33 Investments and loans	0	0	0	0	0
41 Grants, subsidies and contributions	10,664	5,332	5,332	5,332	0
42 Insurance claims and indemnities	0	0	0	0	0
43 Interest and dividends	0	0	0	0	0
44 Refunds	0	0	0	0	0
44 Refunds	0	0	0	0	0
<b>99.9 Total Direct Obligations</b>	<b>10,664</b>	<b>5,332</b>	<b>5,332</b>	<b>5,332</b>	<b>0</b>
Less prior year recoveries	0	0	0	0	0
Less prior year unobligated balance	(5,332)	0	0	0	0
Total Budget Authority	5,332	5,332	5,332	5,332	0

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**Exhibit 17**

**DETAILED REQUIREMENTS BY OBJECT CLASS  
(Dollar Amount in Thousands)**

<b>Object Class</b>	<b>2008 * Adjustments to Base</b>	<b>2008 Base</b>	<b>2008 Estimate</b>	<b>Increase/ (Decrease)</b>
11 Personnel compensation				
11.1 Full-time permanent				
Executive level	(77)	710	710	0
Senior Executive Service	(153)	4,604	4,604	0
General schedule	1,897	121,943	122,371	428
Senior Foreign Service	830	26,459	26,459	0
Foreign Service Staff	34	2,025	2,164	139
Foreign Service Nationals	126	9,847	9,847	0
Subtotal	2,657	165,589	166,156	567
11.3 Other than full-time permanent				
General schedule	2,475	18,138	18,138	0
Experts & consultants	202	3	3	0
Subtotal	2,677	18,141	18,141	0
11.5 Other personnel compensation				
Overtime	101	365	365	0
Cash awards	88	4,039	4,056	17
Differentials	114	2,246	2,246	0
Subtotal	303	6,650	6,667	17
11.8 Special personnel services payments				
Foreign service officers (State)	7	7	7	0
Other	0	0	0	0
Subtotal	7	7	7	0
11.9 Total personnel compensation	5,644	190,387	190,970	584
12.1 Civilian personnel benefits				
Civil service retirement	(604)	754	754	0
Federal Employee Retirement	806	15,823	15,899	76
Thrift savings plan	120	4,985	4,997	12
Federal insurance contribution act	105	7,162	7,195	33
Health insurance	786	11,821	11,829	8
Life insurance	0	223	223	0
Employees comp fund	0	0	0	0
Other	0	11,998	11,998	0

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<b>Object Class</b>	<b>2008 * Adjustments to Base</b>	<b>2008 Base</b>	<b>2008 Estimate</b>	<b>Increase/ (Decrease)</b>
Subtotal	1,213	52,766	52,895	129
13.0 Benefits for former personnel				
Severance pay	0	2,944	2,944	0
Unemployment compensation	0	974	974	0
Subtotal	0	3,918	3,918	0
21 Travel and transportation of persons				
Common Carrier	(93)	5,062	5,102	40
Mileage	(25)	275	275	0
Per diem/actual	(170)	6,287	6,327	40
Vehicular	(1)	104	104	0
Other	(17)	2,274	2,294	20
[Overseas estimates]	[150]	[5,738]	[5,738]	[40]
Subtotal	(306)	14,002	14,102	100
22 Transportation of things	(173)	2,119	2,129	10
[Overseas estimates]	[20]	[458]	[458]	0
Subtotal	(173)	2,119	2,129	10
23.1 Rental payments to GSA	375	14,078	14,078	0
23.2 Rental payments to others	328	3,477	3,477	0
23.3 Communications, utilities and miscellaneous charges				
Rental of ADP equipment	0	17	17	0
Rental of office copying equipment	0	14	14	0
Other equipment rental	(2)	704	704	0
Federal telecommunications system	(75)	2,088	2,088	0
Other telecommunications services	7	544	544	0
Postal services by USPS	42	838	838	0
Other	(271)	1,996	2,091	95
[Overseas estimates]	[350]	[3,424]	[3,424]	0
Subtotal	(299)	6,201	6,296	95
24 Printing and reproduction				
Publications	(3)	1,380	1,395	15
Public use forms	(5)	3	3	0
Envelopes	1	48	48	0
Other	(4)	360	360	0
[Payments to DM, WCF]	[60]	[360]	[360]	0
[Overseas estimates]	[16]	[868]	[868]	0
Subtotal	(11)	1,790	1,806	15

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<b>Object Class</b>	<b>2008 * Adjustments to Base</b>	<b>2008 Base</b>	<b>2008 Estimate</b>	<b>Increase/ (Decrease)</b>
25.1 Consulting services	0	2,650	2,650	0
25.2 Other services				
Training:				
University training	(0)	6	26	20
Other	(37)	1,046	1,046	0
Maintenance of equipment	1	112	112	0
Other non-governmental contracts	(300)	7,079	7,338	259
Representation	(6)	333	333	0
Other	(155)	17,921	17,921	0
[Overseas estimates]	[0]	[6,500]	[6,500]	0
Subtotal	(498)	26,496	26,775	279
25.3 Purchases of goods & services from Gov't accounts				
Office of Personnel Management Training	0	878	878	0
GSA reimbursable services	0	168	168	0
Commerce Business System (CBS)	1,043	3,903	3,903	0
Department of Interior	0	1,350	1,350	0
Department of State Capital Security Cost Sharing Program	(6,201)	18,409	18,429	20
Payment to DM, WCF	846	29,407	29,407	0
Other Misc. services by other Federal Agencies	14	2,643	2,643	0
International Cooperative Support Services (ICASS)	394	25,494	25,537	43
Subtotal	(3,904)	82,252	82,315	63
25.4 Operations and maintenance of facilities	0	90	90	0
25.7 Operations and maintenance of equipment	0	939	939	0
26 Supplies and materials				
Office Supplies	(56)	2,347	2,367	20
ADP supplies	(7)	122	122	0
Other	(47)	1,736	1,736	0
[Overseas estimates]	[46]	[1,376]	[1,376]	0
Subtotal	(111)	4,206	4,226	20
31 Equipment				
Office machines and equipment	95	1,379	1,384	5
ADP hardware	47	70	75	5
ADP software	47	786	791	5
Other	14	3,397	3,397	0

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<b>Object Class</b>	<b>2008 * Adjustments to Base</b>	<b>2008 Base</b>	<b>2008 Estimate</b>	<b>Increase/ (Decrease)</b>
[Overseas estimates]	[57]	[2,072]	[2,072]	0
Subtotal	203	5,632	5,647	15
32 Lands and structures	(1)	0	0	0
Subtotal lands and structures	(1)	0	0	0
33 Investments	0	0	0	0
41 Grants, subsidies and contributions	(121)	0	0	0
42 Insurance claims and indemnities	0	26	26	0
43 Interest/dividends	0	0	0	0
44 Refunds	0	91	91	0
99 <b>Total Obligations</b>	<b>2,339</b>	<b>411,121</b>	<b>412,431</b>	<b>1,310</b>
99 Total Obligations	2,339	411,121	412,431	1,310
Less Prior Year Recoveries	0	0		
Less Unobligated balance, start of year				
Less Unobligated balance, start of year cash on hand				
Less Unobligated balance, carryover	0	0	0	0
Plus Unobligated Balance, expiring				
Plus Unobligated balance, end of year	0	0	0	0
Plus Unobligated balance, end of year cash on hand				
Less Fees collected				
Plus Rescission	0	0	0	0
Less Transfers from other accounts	0	0	0	0
<b>Net Budget Authority</b>	<b>2,339</b>	<b>411,121</b>	<b>412,431</b>	<b>1,310</b>
Personnel Data				
Full-Time equivalent Employment:				
Full-time permanent	2,007	2,007	2,015	8
Other than full-time permanent	210	210	210	0
Total	2,217	2,217	2,225	8
Authorized Positions:				
Full-time permanent	2,067	2,067	2,079	12
Other than full-time permanent	226	226	226	0
Total	2,293	2,293	2,305	12

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DETAILED REQUIREMENTS BY OBJECT CLASS  
Manufacturers of Worsted Wool  
(Dollar Amount in Thousands)

Object Class	2008 Adjustments to Base	2008 Base	2008 Estimate	Increase/ (Decrease) over 2008 Base
11 Personnel compensation				
11.1 Full-time permanent	0	0	0	0
11.3 Other than full-time permanent	0	0	0	0
11.5 Other personnel compensation	0	0	0	0
11.8 Special personnel services payments	0	0	0	0
<b>11.9 Total personnel compensation</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
12.1 Civilian personnel benefits	0	0	0	0
13 Benefits for former personnel	0	0	0	0
21 Travel and transportation of persons	0	0	0	0
22 Transportation of things	0	0	0	0
23 Commun., util., misc. charges	0	0	0	0
23 Rent, communications & utilities	0	0	0	0
23.1 Rental payments to GSA	0	0	0	0
23.2 Rental payments to others	0	0	0	0
23.3 Commun., util., misc. charges	0	0	0	0
24 Printing and reproduction	0	0	0	0
25 Consulting and other services	0	0	0	0
25.1 Consulting services	0	0	0	0
25.2 Other services	0	0	0	0
25.3 Purchase of goods & services from Gov't account	0	0	0	0
25.7 Operation & maintenance of equipment	0	0	0	0
26 Supplies and materials	0	0	0	0
31 Equipment	0	0	0	0
32 Lands and structures	0	0	0	0
33 Investments and loans	0	0	0	0
41 Grants, subsidies and contributions	0	5,332	5,332	0
42 Insurance claims and indemnities	0	0	0	0
43 Interest and dividends	0	0	0	0
44 Refunds	0	0	0	0
99 Total Obligations	0	5,332	5,332	0
Less Prior Year Recoveries	0	0	0	0
Total Budget Authority	0	5,332	5,332	0

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**Exhibit 23**

**SUMMARY OF INFORMATION TECHNOLOGY RESOURCES**

(Dollar amounts in thousands)

(Budget Authority)

<b>II Projects by activity/subactivity: with totals by activity</b>	Unique Project Identifier	IT Investment Title	FY2007			Increase/ Decrease
			FY2006 Estimate	President's Budget	FY2008 Estimate	
ITA Program Management:						
Operations & Management	006-25-01-01-01-6510-00	ITA Financial Management System	1,300	1,300	250	-1,050
Operations & Management	006-25-01-01-04-6511-00	Core Commerce Busienss System (CBS)	449	2,618	1,043	-1,575
Operations & Management	006-25-01-18-02-6516-00	ITA Trade Policy Information System (TPIS)	680	720	720	0
Operations & Management	006-25-01-18-02-6550-00	ITA Message Processing System	1,010	1,140	1,140	0
Operations & Management	006-25-01-18-02-6560-00	ITA Small/Other Projects	6,250	6,050	6,100	50
Operations & Management	006-25-01-50-01-0090-24	ITA International Trade Process Streamlining (ITPS)	730	740	750	10
Operations & Management	006-00-02-00-01-6514-00	ITA Infrastructure	24,570	25,161	25,828	667
Operations & Management	006-25-02-00-01-6515-00	ITA Enterprise IT Security Improvements	1,330	1,330	1,330	0
Operations & Management	006-25-03-00-02-6580-00	ITA IT Enterprise Architecture	360	380	400	20
Operations & Management	006-25-02-00-01-6515-00	ITA IT Planning	290	310	330	20
<b>Total</b>			<b>36,969</b>	<b>39,749</b>	<b>37,891</b>	<b>-1,858</b>

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**Exhibit 33**

**Appropriation Language and Code Citations:**

1. For necessary expenses for international trade activities of the Department of Commerce provided for by law, and for engaging in trade promotional activities abroad, including expenses of grants and cooperative agreements for the purpose of promoting exports of United States firms,

13 U.S.C. 301(a) and 305  
15 U.S.C. 141 et seq.  
15 U.S.C. 637(e)  
15 U.S.C. 649b-649d  
15 U.S.C. 1151 et seq.  
15 U.S.C. 1501 et seq. and 15 U.S.C. 172 et seq.  
15 U.S.C. 4001 et seq.  
15 U.S.C. 4011 et seq.  
15 U.S.C. 4721 and 22 U.S.C. 262s-2  
15 U.S.C. 4723  
15 U.S.C. 4724  
15 U.S.C. 4725  
15 U.S.C. 4726  
15 U.S.C. 4727  
15 U.S.C. 4728  
15 U.S.C. 4729  
19 U.S.C. 81a et seq.  
19 U.S.C. 1202  
19 U.S.C. 1303  
19 U.S.C. 1318 and 1502(a)  
19 U.S.C. 1339(b)  
19 U.S.C. 1514-1516  
19 U.S.C. 1592A(b)  
19 U.S.C. 1617  
19 U.S.C. 1671 et seq.  
19 U.S.C. 1673 et seq.  
19 U.S.C. 1677k and 1677n  
19 U.S.C. 1862  
19 U.S.C. 2031 and 19 U.S.C 2001 et seq.  
19 U.S.C. 2114 and 2155  
19 U.S.C. 2114b

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19 U.S.C. 2171 nt.  
19 U.S.C. 2252(h)(3)(A)  
19 U.S.C. 2354  
19 U.S.C. 2411 et seq.  
19 U.S.C. 3201 nt.  
19 U.S.C. 3538(b), (c), and (d)  
19 U.S.C. 3571(a), (b), (c), (e), and (f), and 3572(d)  
19 U.S.C. 3721(b)(3)(C)  
19 U.S.C. 3802(c)(3)  
22 U.S.C. 262s-2 nt.  
22 U.S.C. 801 et seq.  
22 U.S.C. 1471 nt.  
22 U.S.C. 2351(b)(1)  
22 U.S.C. 2451 et seq.  
22 U.S.C. 2651 et seq.  
22 U.S.C. 3101 et seq.  
22 U.S.C. 3901 et seq.  
22 U.S.C. 4723a  
22 U.S.C. 5462  
22 U.S.C. 5812(b)  
22 U.S.C. 5821  
22 U.S.C. 5823(b)  
22 U.S.C. 5824  
22 U.S.C. 5872  
26 U.S.C. 4221 and 19 U.S.C. 1309  
28 U.S.C. 2631 et seq.  
40 U.S.C. 512  
42 U.S.C. 300j  
42 U.S.C. 6951 et seq.  
46 U.S.C. 1122b  
50 U.S.C. 98-98h  
50 U.S.C. 401 et seq.  
50 U.S.C. 2061  
50 U.S.C. 2401

13 U.S.C. 301(a) and (305) authorizes the Secretary of Commerce to collect, compile, and publish real-time, detailed, steel imports statistics pertaining to, and acquired through, the steel licensing program called the Steel Import Monitoring and Analysis (SIMA) System, as well as the authority to make such rules, regulations, and orders necessary to administer the program.

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15 U.S.C. 141 et seq. provides for the formation, regulation and termination of China Trade Act corporations. 15 U.S.C. 649b-649d authorizes the Secretary of Commerce to award grants (including contracts and cooperative agreements) to encourage the development and implementation of small business international marketing programs.

15 U.S.C. 1151 et seq. provides for the Department of Commerce to serve as a clearinghouse for technical information, as is necessary for the preparation and dissemination of business and international economic information.

15 U.S.C. 1501 et seq. and 15 U.S.C. 172 et seq. provide the basic authority for performance of those functions and activities of ITA which promote an improved trade posture for United States industry.

15 U.S.C. 4001 et seq. provides for the development and promotion of U.S. export trading companies and associations.

15 U.S.C. 4011 et seq. authorizes the Secretary of Commerce to promote and encourage export trade, the Secretary may issue certificates of review and advise and assist any person with respect to applying for certificates of review.

15 U.S.C. 4721 and 22 U.S.C. 262s-2 provides the basic authorities for the United States and Foreign Commercial Service.

15 U.S.C. 4723 provides the basic authorities for the Market Development Cooperator Program.

15 U.S.C. 4723a authorizes United States Commercial Centers in Asia, Latin America, and Africa.

15 U.S.C. 4724 provides for Department of Commerce support of Trade Shows.

15 U.S.C. 4725 provides for the United States and Foreign Commercial Service Pacific Rim Initiative.

15 U.S.C. 4726 provides for the Indian Tribes Export Program.

15 U.S.C. 4727 establishes the Trade Promotion Coordinating Committee.

15 U.S.C. 4728 authorizes Department of Commerce environmental trade promotion activities.

15 U.S.C. 4729 provides for a Department of Commerce report on export policy.

19 U.S.C. 81a et seq. establishes the Foreign-Trade Zones Board and designates the Secretary of Commerce as chairman and executive officer of the Board.

19 U.S.C. 1202 general note provides the Department of Commerce with the authority to develop, maintain, and publish a list of bona fide motor-vehicle manufacturers.

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19 U.S.C. 1202 notes provides authority for two import control programs, the Watch Quota program and the Florence Agreement program.

19 U.S.C. 1303 relates to countervailing duties and levies.

19 U.S.C. 1318 and 1502(a) relates to antidumping and countervailing duty investigations and the assessment of duties.

19 U.S.C. 1339(b) relates to technical assistance to eligible small businesses as to the antidumping and countervailing duty laws.

19 U.S.C. 1514-1516 [and section 5(a)(1)(D) of Reorganization Plan No. 3 of 1979] relate to any protest, petition, or notice of desire to contest described in section 1002(b)(1) of the Trade Agreements Act of 1979.

19 U.S.C. 1592A(b) relates to providing advice to the President or his or her designee regarding a listing of countries in which illegal activities have occurred regarding transshipped textiles or apparel products.

19 U.S.C. 1617 relates to any compromise of a claim for antidumping or countervailing duties upon recommendation by the Department of Commerce's General Counsel.

19 U.S.C. 1671 et seq. authorizes the investigation as to whether a foreign government has paid or pays a subsidy upon the manufacture, production, or export of merchandise imported into the United States, and if the International Trade Commission finds requisite injury, requires the determination and imposition of countervailing duties upon such merchandise. This section applies to merchandise from countries covered by the Agreement on Subsidies and Countervailing Measures or from countries which have assumed obligations similar to those contained in the Agreement.

19 U.S.C. 1673 et seq. authorizes the investigations as to whether foreign merchandise is, or is likely to be, sold in the United States at less than fair value and if the International Trade Commission finds requisite injury, requires the determination and imposition of antidumping duties upon such merchandise.

19 U.S.C. 1677k and 1677n relate to actions by the "administering authority" or the Department of Commerce concerning third-country dumping.

19 U.S.C. 1862 with respect to consultations *with* the Bureau of Industry and Security regarding the development of recommendations on proposed remedies if there is a finding of threat to impair the national security, and regarding implementation issues, including consultation prior to discussions with foreign governments on implementations issues.

19 U.S. C. 2031 provides the authority to promulgate rules and regulations pertaining thereto under the Automotive Products Trade Act of 1965 (19 U. S. C. 2001 et seq.).

19 U.S.C. 2114 and 2155 authorizes the President to organize through the U.S. Trade Representative and the Secretaries of Commerce, Labor, Agriculture, the Treasury, or other executive departments, as appropriate, general policy advisory committees composed of representatives of all industry, labor, agricultural, service, investment, defense, and other interests.

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19 U.S.C. 2155 [regarding the industry consultation program] also authorizes the President to organize, through the U.S. Trade Representative and the Secretaries of Commerce, Labor, Agriculture, the Treasury, or other executive departments, as appropriate, sectoral or functional advisory committees composed of representatives from industry, labor, agriculture, and services. These committees provide policy and technical advice on international trade negotiating objectives and bargaining positions, the operation of trade agreements, and with respect to other matters involving the development, implementation, and administration of U.S. trade policy.

19 U.S.C. 2114b establishes a service industries development program.

19 U.S.C. 2171 nt. [Section 2(a) of Reorganization Plan No. 3 of 1979] provides the Secretary of Commerce with "general operational responsibilities for major non-agricultural international trade functions of the United States Government," including "export development," "commercial representation abroad," "research and analysis," and "monitoring compliance with international trade agreements to which the United States is a party".

19 U.S.C. 2252(h)(3)(A) relates to the integration of articles subject to the WTO Agreement on Textiles and Clothing.

19 U.S.C. 2354 provides for studies, reports and information activities in response to investigations and findings of the International Trade Commission.

19 U.S.C. 2411 et seq. provides procedures for determinations and actions to be taken to enforce the rights of the United States under any trade agreement, or to respond to any act, policy, or practice of a foreign country that is inconsistent with the provisions or any trade agreement, that burdens or restricts United States commerce.

19 U.S.C. 3201 nt. [as delegated by section 2(a) of E.O. 13277,] relates to consultations with the United States Trade Representative regarding the authorities and functions thereof.

19 U.S.C. 3538(a), (b) and (c) relate to actions by the "administering authority" as to World Trade Organization (WTO) dispute settlement panel reports.

19 U.S.C. 3571(a), (b), (c), (e), and (f), and 3572(d) relate to enforcement of the WTO Subsidies Agreement by the "administering authority" and conduct by the Secretary of Commerce of ongoing review of, and report to the Congress on, the WTO Subsidies Agreement.

19 U.S.C. 3721(b)(3)(C) relates to monitoring of imports and addressing a surge in imports.

19 U.S.C. 3802(c)(3) [as delegated by section 1(c)(ii) of E.O. 13277,] relates to advice to the Secretary of State regarding the establishment of consultative mechanisms among parties to trade agreements.

22 U.S.C. 262s-2 nt. authorizes the appointment of additional procurement officers for each multilateral development bank.

22 U.S.C. 801 as it relates to foreign service.

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22 U.S.C. 1471 nt. with respect to a contract requirement for Voice of America modernization projects, provides for certification by the Secretary of Commerce that a foreign bidder is not in receipt of direct subsidies from any government which would disadvantage the competitive position of U.S. bidders competing on the same project.

22 U.S.C. 2351(b)(1) authorizes the Secretary of Commerce [under E.O. 12163 of September 29, 1979,] to draw the attention of private enterprise to opportunities for investment and development in less developed friendly countries and areas.

22 U.S.C. 2451 et seq. relates to the promotion of international trade and collection of contributions under the Mutual Educational and Cultural Exchange Act of 1961.

22 U.S.C. 2651 et seq. establishes the Department of State and provides authority for a number of overseas operations. Reorganization Plan No. 3 of 1979 and Executive Order 12188 authorize the utilization of certain of these authorities in connection with the operation of the Foreign Commercial Service.

22 U.S.C. 3101 et seq. authorizes the President to conduct surveys and studies of both United States direct investments abroad as well as foreign direct and portfolio investment in the United States. ITA monitors, analyzes, and reports to Congress on specific aspects of international investment, which may have significant implications for the economic welfare, and national security of the United States.

22 U.S.C. 3901 et seq. [and such laws the exercise of which are authorized to the Secretary of Commerce under section 5(b)(2) of Reorganization Plan No. 3 of 1979 and by section 1-104 of E.O. 12188 of January 2, 1989, as amended] relate to the Foreign Service of the United States.

22 U.S.C. 5462 [and Section 3 of E.O. 12703 of February 20, 1990,] establishes a Support for East European Democracy Information Center System.

22 U.S.C. 5812(b) relates to the coordination of export promotion activities.

22 U.S.C. 5821 relates to the establishment and operation of American Business Centers.

22 U.S.C. 5823(b) relates to the design and implementation of programs to provide adequate commercial and technical assistance to U.S. businesses seeking markets in the independent states of the former Soviet Union.

22 U.S.C. 5824 relates to the interagency working group on energy of the Trade Promotion Coordinating Committee.

22 U.S.C. 5872 relates to the Office of Space Commerce.

26 U.S.C. 4221 and 19 U.S.C. 1309 relate to findings regarding exemptions from taxes and import duties on supplies and equipment for aircraft.

28 U.S.C. 2631 et seq. relates to actions taken by the Secretary of Commerce reviewable under section 516A of the Tariff Act of 1930, as amended (19 U.S.C. 1516a).

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40 U.S.C. 300j delegates the Secretary of Commerce with power to redelegate to officers and employees of the Government as it relates to the safety of public water systems.

40 U.S.C. 512 provides authority for the administration of the Foreign Excess Property program.

42 U.S.C. 6951 et seq. provides for the stimulation of development of markets for recovered materials, promotion of proven technology, and a forum for the exchange of technical and economic data regarding resource recovery facilities.

46 U.S.C. 1122b relates to foreign shipping practices.

50 U.S.C. 401 as it relates to a senior representative of the Secretary of Commerce to be invited to participate in any advisory groups in regards to 50 U.C.C. 401.

50 U.S.C. 2061 as it relates to Commerce and Trade.

50 U.S.C 2401 as it relates to intellectual property rights and the royalty and fee schedules. Includes the means of a contract between the Department and non-Federal organization under which that organization pays the Department to provide a service or material not otherwise available in the domestic private sector.

2. "without regard to the provisions of law set forth in 44 U.S.C. 3702 and 3703;

No Specific Authority

44 U.S.C. 3702 specifies that an executive department may not publish or pay for advertisements without written authority from the head of that department.

The nature of ITA's overseas exhibition program requires maximum flexibility in advertising requirements since exhibitions may be changed, added, or canceled. When such changes take place, advertisements must be placed as soon as possible to inform the local business community. This exception from 44 U.S.C. 3702 will provide the flexibility, which is required to effectively advertise for these exhibitions.

44 U.S.C. 3703 stipulates that prices paid for advertising may not exceed the commercial rates charged to provide individuals, with the usual discounts. Since the United States Government does not have sovereign status in other countries and is charged commercial rates without the discounts required by 44 U.S.C. 3703, this exception is necessary to permit contracting in a manner which conforms to the realities of foreign advertising markets.

3. "full medical coverage for dependent members of immediate families of employees stationed overseas and employees temporarily posted overseas;"

No Specific Authority

This language permits the International Trade Administration to extend to certain of its overseas employees the same benefits afforded domestically employed Federal employees and employees of ITA's Foreign Commercial Service in equivalent positions overseas.

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4. *"travel and transportation of employees of the United States and Foreign Commercial Service between two points abroad, without regard to 49 U.S.C. 40118;"*

No Specific Authority

In 1979, the Congress exempted Foreign Service agencies from the requirement that government travel between two points outside the United States be accomplished by U.S. air carrier. This phrase clarifies that the U.S. and Foreign Commercial Service is included in the exemption and overturns a Comptroller General decision to the contrary.

5. "employment of Americans and aliens by contract for services;"

No Specific Authority

44 CG 761, OPM guidance, and House Report 89-188 have concluded that Federal agencies must have specific authority to employ personnel by contract. In order to present its overseas exhibitions ITA often requires the use of narrators, demonstrators, receptionists, clerical, and facilities maintenance personnel who speak the language of the host country; are familiar with local practices and procedures; or who only need to be employed for a short period of time. In some cases, however, it is more advantageous to employ U.S. citizens in the host country (generally members of an employee's family) because they have greater familiarity with American methods and, therefore, require less effort to train.

6. "rental of space abroad for periods not exceeding 10 years, and expenses of alternation, repair, or improvement;"

No Specific Authority

Buildings, pavilions, and space in such structures must be rented for exhibitions. Rental terms are established by fair authorities. The program may desire to exhibit at certain fairs, which support ITA's trade development objectives. The installation of exhibits in rented buildings requires that certain alterations and improvements be made. To limit expenditures for such alterations and improvements would seriously restrict the quality and effectiveness of the exhibitions.

7. "purchase or construction of temporary demountable exhibition structures for use abroad;"

No Specific Authority

40 U.S.C. 601 prohibits the construction of public buildings except by the Administrator of the General Services Administration. Authority to purchase or construct such demountable structures is necessary to allow ITA to present exhibitions overseas when permanent exhibition facilities is not available. 41 U.S.C. 10a permits the purchase of articles, materials, or supplies in foreign countries when they are to be used in that country.

8. " payment of tort claims, in the manner authorized in the first paragraph of 28 U.S.C. 2672 when such claims arise in foreign countries;"

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No Specific Authority

28 U.S. C. 2672 provides for settlement of tort claims for money damages of \$25,000 or less against the United States by the head of each federal agency for loss of property or personal injury or death caused by a negligent or wrongful act of any employee of the Government while acting within the scope of his employment in circumstances where the United States, if a private person, would be liable under local law. However, 28 U.S.C. 2680 exempts the settlement of tort claims which arise abroad from the provisions of 28 U.S.C. 2672. The language requested would exempt ITA from 28 U.S.C. 2680 and would cover the settlement of tort claims against the United States, which arise in connection with the ITA's trade promotion activities abroad.

9. "not to exceed \$327,000 for official representation expenses abroad;"

No Specific Authority

5 U.S.C. 5536 prohibits additional pay, extra allowances, or compensation unless the appropriation explicitly states that it is for such additional pay, extra allowances, or compensation.

10. "purchase of passenger motor vehicles for official use abroad, not to exceed \$45,000 per vehicle; obtaining insurance on official motor vehicles, and rental of tie lines;"

No Specific Authority

31 U.S.C. 1343 authorizes the purchase of passenger motor vehicles and purchase of motor vehicles for law enforcement use of the U.S. Capitol Police without regard to any price limitation otherwise established by law.

This section also prohibits the purchase of passenger motor vehicles unless specifically authorized by the appropriation concerned or other law with the exception of those for the use of the President of the United States, the secretaries to the President or the head of certain executive departments.

11. "\$408,925,000 to remain available until expended, of which \$13,000,000 is to be derived from fees to be retained and used by the International Trade Administration, notwithstanding 31 U.S.C. 3302."

No Specific Authority

31 U.S.C. 1301(c) provides that an appropriation in a regular, annual appropriation law may be construed to be permanent or available continuously if the appropriation expressly provides that it is available after the fiscal year covered by the law in which it appears.

31 U.S.C. 3302 provides ITA administrative flexibility to retain and use fees collected without the need to follow the restrictions of 31 U.S.C. 3302, which requires fees collected to be deposited in the US Treasury.

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12. "That the provisions of the first sentence of section 105(f) and all of section 108(c) of the Mutual Educational and Cultural Exchange Act of 1961 (22 U.S.C. 2455(f) and 2458(c)) shall apply in carrying out these activities without regard to section 5412 of the Omnibus Trade and Competitiveness Act of 1988 (15 U.S.C. 4912);"

No Specific Authority

22 U.S.C. 2455(f) provides authority to accept contributions of funds, property and services from foreign governments, international organizations and private individuals, firms, associations, agencies, and other groups in carrying out the activities concerned with exhibits pursuant to the Mutual Educational and Cultural Exchange Act of 1961.

22 U.S.C. 2458(c) provides authorization for all necessary expenditures involved in the selection, purchase, rental, construction, or other acquisition of exhibitions and the necessary supplies.

15 U.S.C. 4912 The Secretary shall provide reasonable public services and access (including electronic access) to any information maintained as part of the Data Bank and may charge reasonable fees consistent with section 552 of title 5.

13. "and that for the purpose of this Act, contributions under the provisions of the Mutual Educational and Cultural Exchange Act shall include payment for assessments for services provided as part of these activities."

This phrase provides for extension of this authority and permits ITA to collect funds for use in conducting trade promotion events abroad.

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**Exhibit 34**

**CONSULTING AND RELATED SERVICES  
(Obligations in thousands)**

	<b><u>2006</u> Actual</b>	<b><u>2007</u> Currently Available</b>	<b><u>2008</u> Estimate</b>
Management and professional support services.....	\$2,465	\$2,509	\$2,509
Studies, and analysis evaluations.....	138	140	140
Engineering and technical service.....	<u>0</u>	<u>1</u>	<u>1</u>
Total.....	\$2,603	\$2,650	\$2,650

ITA uses consulting services to meet relatively short-term requirements for industry and/or economic expertise. Various ITA programs focus on very specific areas (specific export promotion events, negotiations, antidumping and countervailing duty cases). It is preferable to maintain the availability to obtain short-term expertise than a permanent staff capacity.

Management and professional support services: These services provide technical expertise, interpretation and stenographic services.

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**Exhibit 35**

**PERIODICALS, PAMPHLETS, AND AUDIOVISUAL PRODUCTS**  
(Obligations in thousands)

	<b>2006</b>	<b>2007</b>	<b>2008</b>
	<u>Actual</u>	<u>Currently Available</u>	<u>Estimate</u>
Periodicals.....	\$45	\$148	\$150
Pamphlets.....	211	215	219
Audiovisuals.....	<u>144</u>	<u>45</u>	<u>46</u>
Total.....	<u>\$400</u>	<u>\$407</u>	<u>\$414</u>

ITA publications, periodicals, as well as pamphlets, are some of the most essential tools in which the organization fulfills its mission to carry out the U.S. Government's non-agricultural trade activities, to encourage and promote U.S. exports of manufactured goods, to administer U.S. statutes and agreements dealing with foreign trade, and to advise on U.S. international and domestic trade and commercial policy. Periodicals include Export America, BuyUSA Materials, and Core Materials.

Individual publications include economic and market research studies, and foreign direct investment reports. ITA plays an essential role in disseminating these publications to keep the business public informed on particular aspects of the global business picture.

In FY 2006 the Department of State and ITA supported the development of an integrated Electronic Education Fair to promote the U.S. higher education system to audiences in China. ITA's share of this joint promotion was \$100 thousand.

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Exhibit 36

**AVERAGE GRADE AND SALARIES  
(Obligations in thousands)**

	<b>2006</b>	<b>2007</b>	<b>2008</b>
	<b>Actual</b>	<b>Currently Available</b>	<b>Estimate</b>
Direct			
Average ES salary	\$141,154	\$144,260	\$147,433
Average GS grade	12.3	12.3	12.3
Average GS salary	\$82,589	\$84,406	\$86,263
Average grade and salary established by the Foreign Service Act of 1980 (U.S.C. 801-1158):			
Average Senior Foreign Service salary	\$114,593	\$117,114	\$119,691
Average Foreign Service Officer grade	1.8	1.8	1.8
Average Foreign Service Officer salary	\$95,046	\$97,137	\$99,274
Average Foreign Service Staff salary	\$108,115	\$110,494	\$112,925
Average Foreign Service salary in foreign countries	\$101,510	\$103,744	\$106,026

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**Glossary of Budget Acronyms and Terms**

<b>ABC</b>	Activity-Based Cost
<b>AC</b>	Advocacy Center
<b>AD</b>	Antidumping
<b>AGOA</b>	African Growth and Opportunities Act
<b>APEC</b>	Asia/ Pacific Economic Cooperation
<b>ASEAN</b>	Association of Southeast Asian Nations
<b>ATB</b>	Adjustment - To -Base
<b>ATC</b>	American Trading Center
<b>BEA</b>	Bureau of Economic Analysis
<b>BIC</b>	Business Information Center
<b>BISNIS</b>	Business Information for the Newly Independent States
<b>BY</b>	Budget Year
<b>CBP</b>	Customs and Border Protection
<b>CBS</b>	Commerce Business System (Accounting)
<b>CEE</b>	Central and Eastern Europe
<b>CEEBIC</b>	Central and Eastern Europe Business Information Center
<b>CFO</b>	Chief Financial Officer
<b>CMIC</b>	China Market Information Center
<b>CIT</b>	Court of International Trade
<b>CITA</b>	Committee for the Implementation of Textile Agreements
<b>CSRS</b>	Civil Service Retirement System
<b>CVD</b>	Countervailing Duty
<b>CS</b>	Commercial Service
<b>DAS</b>	Deputy Assistant Secretary
<b>DEC</b>	District Export Council
<b>DM</b>	Departmental Management
<b>DOA</b>	Director of Administration
<b>DOS</b>	Department of State
<b>ECF</b>	Employees Compensation Fund
<b>EFM</b>	Export Finance Matchmaker

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<b>EPA</b>	Environmental Protection Agency
<b>EU</b>	European Union
<b>EX/AD</b>	Executive Direction and Administration
<b>FCC</b>	Federal Communications Commission
<b>FCIB</b>	Finance, Credit and International Business
<b>FDA</b>	Food and Drug Administration
<b>FDI</b>	Foreign Direct Investment
<b>FERS</b>	Federal Employees Retirement System
<b>FFMIA</b>	Federal Financial Management Improvement Act
<b>FFS</b>	Federal Financial System
<b>FICA</b>	Federal Insurance Contribution Act
<b>FSN</b>	Foreign Service National
<b>FTA</b>	Free Trade Agreement
<b>FTAA</b>	Free Trade Area of the Americas
<b>FTE</b>	Full Time Equivalent
<b>FTZ</b>	Foreign Trade Zones
<b>FY</b>	Fiscal Year
<b>GATS</b>	General Agreement on Trade in Services
<b>GATT</b>	General Agreement on Tariffs and Trade
<b>GBDe</b>	Global Business Dialogue on electronic commerce
<b>GCC</b>	Gulf Cooperation Council
<b>GDI</b>	Global Diversity Initiative
<b>GDP</b>	Gross Domestic Product
<b>GPO</b>	Government Printing Office
<b>GPLA</b>	General Pricing Level Adjustment
<b>GPRA</b>	Government Performance and Results Act
<b>GPZ</b>	General Purpose Zones
<b>GSA</b>	General Services Administration
<b>GTP</b>	Global Trade Programs
<b>HHS</b>	Health and Human Services
<b>IA</b>	Import Administration
<b>ICAO</b>	International Civil Aviation Organization
<b>ICASS</b>	International Cooperative Administrative Support Services
<b>IMF</b>	International Monetary Fund

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<b>ISACs</b>	Industry Sector Advisory Committees
<b>IFS</b>	In-Flight Survey
<b>IIPA</b>	International Intellectual Property Association
<b>IPR</b>	Intellectual Property Rights
<b>IT</b>	Information Technology
<b>ITA</b>	International Trade Administration
<b>ITAC</b>	Industry Trade Advisory Committees
<b>ITC</b>	International Trade Center
<b>IWG</b>	Interagency Working Group
<b>JCCT</b>	Joint Commission on Commerce and Trade (China & U.S.)
<b>JFMIA</b>	Joint Federal Management Improvement Act
<b>JFMIP</b>	Joint Financial Management Improvement Program
<b>MAC</b>	Market Access and Compliance
<b>MAS</b>	Manufacturing and Services
<b>MDCP</b>	Market Development Cooperator Program
<b>MEP</b>	Market Entry Program
<b>MEPI</b>	Middle East Partnership Initiative
<b>MOU</b>	Memorandum of Understanding
<b>MRA</b>	Mutual Recognition Arrangement
<b>NACC</b>	North American Competitiveness Council
<b>NAFTA</b>	North American Free Trade Agreement
<b>NARA</b>	National Archives and Records Administration
<b>NES</b>	National Export Strategy
<b>NME</b>	Non-Market Economy
<b>NSC</b>	National Security Council
<b>NTBs</b>	Non-Tariff Barriers
<b>OASDI</b>	Old Age Survivor and Disability Insurance
<b>OECD</b>	Organization for Economic Cooperation and Development
<b>OGC</b>	Office of General Counsel
<b>OIG</b>	Office of Inspector General
<b>OLIA</b>	Office of Legislative and Intergovernmental Affairs
<b>OMB</b>	Office of Management and Budget
<b>OPA</b>	Office of Public Affairs
<b>OPIC</b>	Overseas Private Investment Corporation

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<b>PART</b>	Program Assessment Rating Tool
<b>PBViews®</b>	Panorama Business Views
<b>PMA</b>	President's Management Agenda
<b>PSC</b>	Personal Service Contractors
<b>QEC</b>	Quality Enhancement and Control
<b>REI</b>	Rural Export Initiative
<b>SIPS</b>	Statutory Import Program Staff
<b>SMEs</b>	Small- and medium-sized Enterprises
<b>SPLT</b>	Strategic Planning Leadership Team
<b>SPP</b>	Security and Prosperity Partnership
<b>STOP</b>	Strategy Targeting Organized Piracy
<b>TABD</b>	Transatlantic Business Dialogue
<b>TCC</b>	Trade Compliance Center
<b>TCG</b>	Textiles Consultative Group
<b>TCI</b>	Trade Compliance Initiative
<b>TDA</b>	Trade Development Agency
<b>TIC</b>	Trade Information Center
<b>TNIS</b>	Trade Negotiation Information System
<b>TP/CS</b>	Trade Promotion / United States & Foreign Commercial Service
<b>TPA</b>	Trade Promotion Authority
<b>TPCC</b>	Trade Promotion Coordinating Committee
<b>TSP</b>	Thrift Savings Plan
<b>TTAB</b>	Travel and Tourism Advisory Board
<b>U.K.</b>	United Kingdom
<b>USAID</b>	U.S. Agency for International Development
<b>USDOC</b>	U.S. Department of Commerce
<b>USCIS</b>	U.S. Citizenship and Immigration Services (Formerly known as the INS)
<b>USEAC</b>	U.S. Export Assistance Centers
<b>USG</b>	United States Government
<b>USPTO</b>	U.S. Patent and Trademark Office
<b>USTR</b>	U.S. Trade Representative
<b>WCF</b>	Working Capital Fund
<b>WTO</b>	World Trade Organization

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**Trade Promotion Coordinating Committee (TPCC) Member Agencies**

- 1 Department of Commerce
- 2 Department of State
- 3 Department of Agriculture
- 4 U.S Agency for International Development
- 5 Small Business Administration
- 6 Export-Import Bank of the United States
- 7 Department of the Treasury
- 8 United States Trade Representative
- 9 Overseas Private Investment Corporation
- 10 U.S Trade and Development Agency
- 11 Department of Energy
- 12 National Economic Council
- 13 Department of the Interior
- 14 Department of Defense
- 15 Office of Management and Budget
- 16 Department of Labor
- 17 Council of Economic Advisors
- 18 Department of Transportation
- 19 Environmental Protection Agency