

# INTERNATIONAL TRADE ADMINISTRATION



INTERNATIONAL  
**T R A D E**  
ADMINISTRATION

## **BUDGET ESTIMATES**

FISCAL YEAR 2012

**CONGRESSIONAL  
SUBMISSION**

### **PRIVILEGED**

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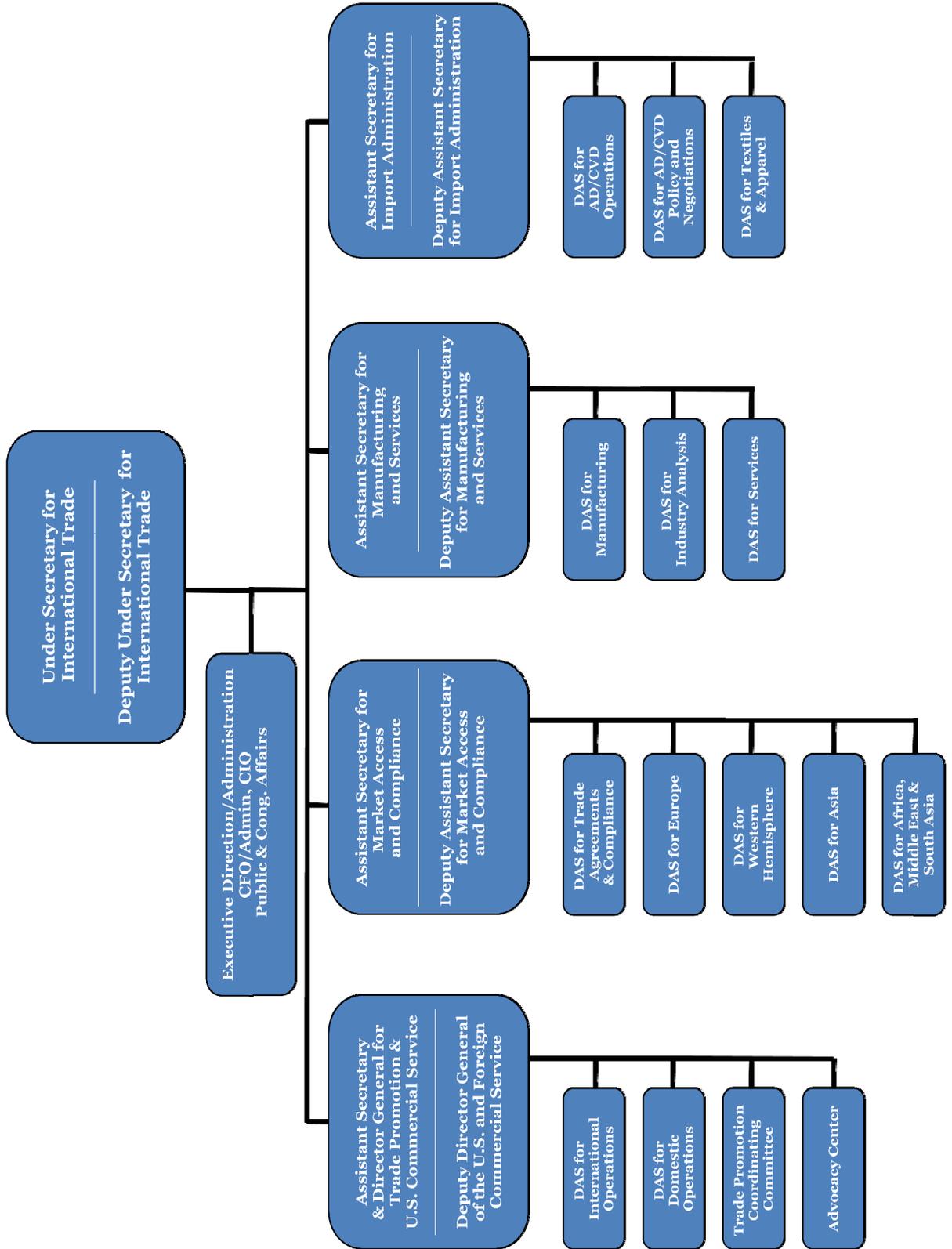
**Department of Commerce  
International Trade Administration  
Budget Estimates, Fiscal Year 2012  
Congressional Submission  
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Department of Commerce  
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 Budget Estimates, Fiscal Year 2012  
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ORGANIZATION STRUCTURE



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## EXECUTIVE SUMMARY

For FY 2012, the International Trade Administration (ITA) requests budget authority of \$525.7 million, which includes \$9 million in offsetting receipts, and 1,960 Full-time Equivalent positions (FTE) in the Operations and Administration account.

ITA's mission is to enable U.S. firms and workers to compete and win in the global marketplace and 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. As the global economy begins to recover, U.S. businesses, with ITA's help, must be better positioned to respond to new demand from every region of the world.

*"The potential for expanding U.S exports is plain. Only 1 percent of U.S. companies export products at all, and of those, 58 percent export to just one country, most frequently Canada or Mexico. If we can just help those firms export to one or two more countries, we would be able to increase exports exponentially".* -- Secretary Locke, Washington Post January 6, 2011

Exporting is good for American business, good for American workers and good for American jobs. With 95% of the world's customers and 87 percent of world economic growth in the next five years forecasted to be outside of the United States, exports are the fuel needed to power the American economy.<sup>1</sup>

In his 2010 Address, President Obama announced the National Export Initiative (NEI), which set a goal of doubling exports over the next five years, an increase that will support millions of American jobs and lead to long-term, sustainable economic growth for the United States. The President reiterated, in his 2011 State of the Union Address, the critical role of exports in America's economic recovery. ITA's export promotion services and advocacy for open markets directly support the NEI and this budget request is critical to help meet the President's goal.

Exporting is fundamentally a decision driven by our entrepreneurs, workers and farmers. But, businesses attempting to close an export sale today face many hurdles, including lack of readily available information about exporting and market research, challenges obtaining export financing and strong competition from foreign companies and foreign governments. The NEI is the Administration's commitment to serve as a full partner with U.S. businesses to promote American-made goods and services worldwide.

The President signed Executive Order 13534 on March 11, 2010. The U.S. Department of Commerce (DOC) and the ITA are directly responsible for addressing the following priorities highlighted in the Executive Order:

1. *Expanding programs designed to enhance exports by small and medium-sized enterprises;*
2. *Promoting federal resources currently available to assist exports by U.S. companies;*
3. *Ensuring that U.S. Government led trade missions effectively promote exports by U.S. companies;*
4. *Ensuring that Commercial Advocacy effectively promotes exports by U.S. companies;*

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<sup>1</sup> World Economic Outlook Database, April 2010  
<http://www.imf.org/external/pubs/ft/weo/2010/01/weodata/index.aspx>

5. *Improving market access overseas for our manufacturers, farmers and service providers by actively opening new markets, reducing significant trade barriers, and robustly enforcing our trade agreements;*
6. *Developing a framework, including policy and export promotion tools, for exports of services.*

U.S. industry's ability to export and increase its global market share is the key to long-term success and, most importantly, to sustained economic growth and job creation:

The DOC and ITA will also continue to take the necessary steps to leverage and coordinate the entire 20-agency Federal effort, under the Trade Promotion Coordinating Committee, to provide on-the-ground services worldwide to link U.S. companies to export opportunities, and to open markets and ensure a level playing field overseas.

While continuing to help American companies through all phases of the export process, from export-readiness training to post-sales support, ITA's export promotion expansion will continue to focus on helping current exporters expand to more markets. To do so, ITA will find the best markets for their goods and services and increase the number of opportunities for them to meet foreign buyers and complete sales transactions. This includes leading more trade missions, bringing more foreign buyers, distributors, and partners to U.S. trade shows, and providing more business-to-business matchmaking services to U.S. companies. In addition, ITA will continue to assist companies and create trade opportunities by identifying and overcoming trade barriers, resolving trade policy issues, and ensuring that our trading partners fully meet their obligations under our trade agreements. ITA works with large and small businesses to ensure that they receive the benefits of the more than 270 trade agreements that open up foreign markets to U.S. goods and services.

ITA will continue to focus on increasing U.S. exports to major emerging markets where there is rapid growth and more new customers such as Brazil, India, and China. ITA is also focusing on engaging high-growth, emerging markets with large public procurement-driven opportunities, such as Vietnam, Saudi Arabia, Turkey, Colombia, South Africa, and Indonesia, to reserve a place for U.S. exporters in markets of the future. These markets may not be the right markets for every company and sector so ITA will avoid a one-size-fits-all approach and continue to link U.S. companies to markets where their prospects for success are most promising.

#### **National Export Initiative: \$78.5 million/ 131 FTE**

This comprehensive, multi-year export expansion strategy contained in this budget will:

- Expand the overseas presence of Commercial Service staff in emerging markets;
- Increase funding for trade compliance/enforcement;
- Increase funding for innovative public-private partnerships to promote exports;
- Increase outreach/guidance to SMEs capable of entering more challenging markets;
- Identify market opportunities for export-intensive, high-growth industry sectors;
- Increase the number and size of trade missions and reverse trade missions;
- Improve technology and communication infrastructure/tools and increase capacity of Trade Information Center to handle exporter inquiries; and,
- Implement an export promotion plan targeted to top service sectors.

The National Export Initiative has the potential to make a significant contribution to economic growth in the U.S. and to stimulate domestic job creation. By increasing the number of U.S. firms that export and enabling them to increase their volume of exports, new jobs will be

created. Those jobs will be associated with higher wages, and U.S. companies will be better able to compete in the expanding global marketplace.

**Adjustments to Base (ATB): \$14.8 million / 0 FTE**

The FY 2012 request will provide inflationary increases for overseas local labor increases as well as increased costs for non-labor activities, which include adjustments for: overseas price increases and International Cooperative Administrative Support Services (ICASS); service contracts; utilities; field office lease payments; rent changes from the General Services Administration (GSA) and other pricing adjustments. Within the above total is a reduction of \$1.4 million in administrative cost savings identified through the Department's Working Capital Fund (see the Departmental Management Working Capital Fund section for more details).

**Program Optimization: -\$20.2million / -73 FTE**

ITA has closely examined its organization to optimize its program structure, both administratively and programmatically, to meet the Administration's deficit reduction goals while still supporting the NEI more efficiently and effectively. As part of this effort, ITA will focus its resources on high priority posts and industries; eliminate thirteen low--return--on investment foreign posts; eliminate its presence at multilateral development banks, trade associations, and the World Bank; redeploy Foreign Commercial Service Officers to front line NEI posts; optimize the Manufacturing and Services program and take other smaller cost-cutting actions throughout the Agency to meet NEI goals and contribute toward deficit reduction. Within this amount, reductions of 9 FTE and \$8.6 million were taken in Administrative reductions consistent with the government-wide Administrative Efficiency Initiative, which will reduce government spending in areas such as advisory contracts, transportation of people and things, printing, and supplies.

**Commercial Law Development Program (CLDP): \$2.5 million/ 5 FTE**

CLDP's technical assistance to developing countries helps create transparent legal systems and fair regulations that enable those countries to comply with international and bilateral trade obligations and promote rule of law. This increase provides additional direct funding and further enhances this longstanding and successful program.

**Termination of Unrequested Congressional Projects: -\$5.7 million / 0 FTE**

The ITA proposes to eliminate funding for Congressionally designated spending items identified in House Report 111-366 and separate funding for human rights training included in the accompanying conference report.

## **FY 2012 Annual Performance Plan**

### ***International Trade Administration***

#### **Table of Contents**

- Section 1. Mission
- Section 2. Corresponding DOC Objectives
- Section 3. Priorities/Management Challenges
- Section 4. Target and Performance Summary Table/Validation and Verification
- Section 5. FY 2012 Program Changes
- Section 6. Resource Requirements Summary

#### **Section 1. Mission**

Create prosperity by strengthening the competitiveness of U.S. industries, promoting trade and investment, and ensuring fair trade and compliance with trade laws and agreements.

#### **Section 2. Corresponding DOC Objectives**

##### **DOC THEME: ECONOMIC GROWTH**

**Market Development and Commercialization Goal:** Help create market opportunities that equip businesses and communities with the tools they need to create new businesses and quality jobs with special emphasis on unserved and underserved groups

**DOC Objective 8:** Provide services to improve the competitiveness of small and medium-size firms in manufacturing and service industries

- **ITA Goal/Objective:** Produce trade and industry data analysis to enhance U.S. competitiveness of U.S. industry
- **ITA Goal/Objective:** Create Public-Private partnerships
- **ITA Goal/Objective:** Provide services to improve the competitiveness of small and medium-size firms in manufacturing and service industries

**Trade Promotion and Compliance Goal:** Improve our global competitiveness and foster domestic job growth while protecting American security

**DOC Objective 9:** Increase U.S. export value through an emphasis on trade promotion, market access, compliance and interagency collaboration (including support for small and medium enterprises)

- **ITA Goal/Objective:** Increase U.S. export value through an emphasis on trade promotion, market access, compliance and interagency collaboration (including support for small and medium enterprises)
- **ITA Goal/Objective:** Expand export promotion of U.S. goods and services to spur economic growth and job creation
- **ITA Goal/Objective:** Help more U.S. small and medium-sized enterprises (SME's) become successful exporters
- **ITA Goal/Objective:** Enhance public/private partnerships and government-wide coordination of export promotion programs
- **ITA Goal/Objective:** Advance and protect U.S. commercial interests abroad and ensure U.S. companies can compete on a level playing field when bidding for foreign government procurements

**DOC Objective 12:** Vigorously enforce U.S. fair trade laws through impartial investigation of complaints, improved access for U.S. firms and workers, and strengthened efforts to ensure compliance with Antidumping/Countervailing Duty remedies.

- ***ITA Goal/Objective:*** Vigorously enforce U.S. fair trade laws through impartial investigation of complaints, improved access for U.S. firms and workers, and strengthened efforts to ensure compliance with Antidumping/Countervailing Duty remedies
- ***ITA Goal/Objective:*** Identify and resolve unfair trade practices, monitor and ensure compliance with trade agreements, reduce barriers for U.S. companies to sell abroad, and develop a global economic environment that foster fair trade

### **Section 3. Priorities/Management Challenges**

ITA continues to work to address several management challenges (stated below) that require both long and short-term actions. Addressing these challenges will enable ITA to become a more accountable and effectively run organization. ITA's CFO and CIO are responsible for working with ITA program management to lead the way for the organization to become a better run organization. ITA's leadership works collaboratively with Department Management (DM) to ensure that administrative functions, such as planning, budgeting, financial management, IT, procurement, and human resources management operate smoothly across the organization.

ITA intends to:

- Improve financial management effectiveness;
- Ensure property and asset accountability;
- Strengthen the protection of personal information;
- Position human capital as a strategic asset;
- Strengthen strategic planning;
- Establish client-focused/mission-driven IT systems and data integration;
- Optimize organizational flexibility and management capabilities; and
- Develop analytic and evaluative capabilities to engage the organization in continuous improvement efforts.

Several of the stated management challenges will impact the FY 2012 budget including IT information security enhancements, changes to DOC systems (such as implementation of an integrated e-travel system), upgrades to the DOC's automated acquisition system, and identification of security upgrades for ITA employees as required by Homeland Security Presidential Directive-12 (HSPD-12).

**Section 4. Target and Performance Summary Table**

**DOC Objective 8:** Provide services to improve the competitiveness of small and medium-size firms in manufacturing and service industries

<b>ITA Objective: Create Public-Private Partnerships</b>								
<b>Measure 1:</b> Exports generated annually from public/private partnerships		<b>FY 2007 Actual</b>	<b>FY 2008 Actual</b>	<b>FY 2009 Actual</b>	<b>FY 2010 Actual</b>	<b>FY 2011 Target</b>	<b>FY 2012 Target</b>	
		\$207.6M	\$131.6M	\$73.7M	\$86M	\$86M	\$154M	
<b>Description:</b> The measure represents the dollar value of exports generated by Market Development Cooperator Program (MDCP) project activity. The MDCP is a public/private partnership that provides technical and financial assistance to non-profit organizations like trade associations. The MDCP enhances the competitiveness of U.S. industries by reducing the startup costs of new projects.								
<b>Comments on Changes to Targets:</b> At present, the FY 2012 target is aligned to historical performance.								
<b>Relevant Program Change(s):</b>		<b>Title:</b> National Export Initiative					<b>Exhibit 13 Page no:</b> ITA – 38	
<b>Validation and Verification</b>								
<b>Data Source</b>	<b>Frequency</b>	<b>Data Storage</b>	<b>Internal Control Procedures</b>		<b>Data Limitations</b>	<b>Actions to be Taken</b>		
MAS Analytical Reports and Studies and MDCP award recipients	Annual	MAS Planning and Coordination and Management Office Records	Reported quarterly by each cooperator. Each report is reviewed by an ITA team including a MAS industry specialist. MAC country specialist, and Commercial Service staff – usually both foreign and domestic. The MDCP manager approves results after they are finalized. All ITA measures are stored on ITA’s knowledge management database – ITA Central.		None	None		
<b>ITA Objective: Produce trade and industry data analysis to enhance U.S. competitiveness</b>								
<b>Measure 2:</b> Annual cost savings resulting from the adoption of MAS recommendations contained in MAS studies and analysis		<b>FY 2007 Actual</b>	<b>FY 2008 Actual</b>	<b>FY 2009 Actual</b>	<b>FY 2010 Actual</b>	<b>FY 2011 Target</b>	<b>FY 2012 Target</b>	
		\$413M	\$455M	\$552M	\$647M	\$350M	\$350M	
<b>Description:</b> This measure captures the value added of Manufacturing and Services analysts in interagency policy discussions (e.g., interagency regulatory review). For example, MAS analysts use evaluations of the impact of various regulations on export-dependent U.S. manufacturing and services industries (including indirect upstream and downstream effects) to meet the security, health, environmental, or safety requirements of the regulation at lower cost to the affected industries. During FY 2008, MAS provided analysis and comments on the Environmental Protection Agency’s (EPA) Spill Prevention, Control, and Countermeasures (SPCCI) rule resulting in cost savings to industries regulated by that rule. Several other rules, including EPA’s Definition of Solid Waste, and the Department of Transportation’s (DOT) Side Impact, and Federal Aviation Administration’s (FAA) Aeronautical Parts Marking (APM) are under MAS review.								
<b>Comments on Changes to Targets:</b> At present, the FY 2012 target is aligned to historical performance.								
<b>Relevant Program Change(s):</b>		<b>Title:</b> National Export Initiative					<b>Exhibit 13 Page no:</b> ITA – 38	

Validation and Verification					
Data Source	Frequency	Data Storage	Internal Control Procedures	Data Limitations	Actions to be Taken
MAS Analytical Reports and Studies	Annual/Long-term	MAS Planning and Coordination and Management Office Records	ITA utilizes Inspector General reviews and DOC/ITA verification and validation reviews to assess actual measure data. . All ITA measures are stored on ITA's knowledge management database – ITA Central.	A number of unforeseeable factors, including U.S. business cooperation, global trade trends, political developments, and further action by other federal regulatory agencies may lead <i>a posteriori</i> cost saving outcomes to differ from MAS <i>a priori</i> forecasts	None

**DOC Objective 9:** Increase U.S. export value through an emphasis on trade promotion, market access, compliance and interagency collaboration (including support for small and medium enterprises)

ITA Objective: Advance and protect U.S. commercial interests abroad and ensure U.S. companies can compete on a level playing field when bidding for foreign government procurements						
Measure 3: Number of Commercial Diplomacy Success (annual)	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
	Actual	Actual	Actual	Actual	Target	Target
	71	181	196	112	131	152
<b>Description:</b> This measure captures the results of US&FCS front-line diplomatic engagement with foreign governments based on actions directed towards a foreign government in support of a U.S. company or the U.S. national economic interest. In order to qualify as a success, this engagement requires an action by the foreign government, and an outcome that benefits a U.S. company or the U.S. national economic interest. It serves as a valuable tool to gauge US&FCS performance in its government-to-government work and captures a critical component of the program's fundamental mandate to protect U.S. business interests abroad.						
<b>Comments on Changes to Targets:</b> The FY 2012 target is based on increases to US&FCS' s program under the National Export Initiative.						
<b>Relevant Program Change(s):</b>	National Export Initiative					<b>Exhibit 13 Page no:</b> ITA – 92

Validation and Verification					
Data Source	Frequency	Data Storage	Internal Control Procedures	Data Limitations	Actions to be Taken
ITA Client Tracking System	Annual	Client Management System	ITA utilizes Inspector General reviews, the annual independent financial audit, and DOC/ITA verification and validation reviews to assess actual measure data. In addition, each month, Commercial Service officers review case data relevant to their areas in the ITA Client Tracking System case database. . All ITA measures are stored on ITA's knowledge management database – ITA Central.	Some of the commercial issues US&FCS's Commercial Officers stationed overseas work on require extensive negotiation with a foreign government lasting over 12 months, which results in fluctuation from year-to-year in the results US&FCS reports.	None

ITA Objective: Increase export value through an emphasis on trade promotion, market access, compliance and interagency collaboration						
Measure 4: Ratio of US&FCS Export Value to US&FCS Costs	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
	Actual	Actual	Actual	Actual	Target	Target
	N/A	N/A	N/A	N/A	130	140
<p><b>Description:</b> This measure focuses on US&amp;FCS's ability to efficiently and effectively help U.S. companies export by comparing the dollar value of exports supported by US&amp;FCS (e.g. US&amp;FCS Export Value) to US&amp;FCS program costs.</p> <p><b>Comments on Changes to Targets:</b> In FY2011, US&amp;FCS has adopted a new client verification process for the export values to be used in the numerator of this metric. As a result, US&amp;FCS will baseline this metric in FY2011 and set targets for FY2012/2013 accordingly in the Annual Performance Plan submitted with the FY2013 congressional budget justification.</p>						
<b>Relevant Program Change(s):</b>					<b>Exhibit 13 Page no:</b>	
National Export Initiative					ITA -92	

Validation and Verification				
Data Source	Frequency	Data Storage	Internal Control Procedures	Data Limitations
U.S. Exporters	Annual	Client Management System	ITA utilizes Inspector General reviews and DOC/ITA verification and validation reviews to assess actual measure data. . All ITA measures are stored on ITA's knowledge management database – ITA Central.	Some of the assistance US&FCS provides to U.S. companies requires extensive negotiation with a foreign government or business entity lasting over 12 months, which results in fluctuation from year-to-year in the results US&FCS reports.
				Actions to be Taken None

ITA Objective: Increase export value through an emphasis on trade promotion, market access, compliance and interagency collaboration						
Measure 5: Number of clients assisted by US&FCS	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
	Actual	Actual	Actual	Actual	Target	Target
	N/A	N/A	N/A	18,784	19,723	20,709
<b>Description:</b> This measure illustrates ITA's annual effectiveness in providing export counseling and assistance to more U.S. companies						
<b>Comments on Changes to Targets:</b> At present, FY 2011 and FY 2012 targets are aligned to FY 2010 performance. FY 2010 is the baseline because of data limitations with previous years.						
<b>Relevant Program Change(s):</b>	<b>Title:</b> National Export Initiative <b>Exhibit 13 Page no:</b> ITA – 92					

Validation and Verification				
Data Source	Frequency	Data Storage	Internal Control Procedures	Data Limitations
U.S. Exporters	Annual	Client Management System	ITA utilizes Inspector General reviews and DOC/ITA verification and validation reviews to assess actual measure data. . All ITA measures are stored on ITA's knowledge management database – ITA Central.	Data is collected with a CRM database used enterprise-wide by staff in offices in over 77 countries and 109 U.S. cities that is undergoing a review to improve the stability and performance of this system.
				Actions to be Taken Complete review of CRM database and IT infrastructure, deploy enhancements, and monitor system performance.

ITA Objective: Advance and protect U.S. commercial interests abroad and ensure U.S. companies can compete on a level playing field when bidding for foreign government procurements						
Measure 6: Dollar Value of U.S. Export Content in Advocacy Cases Won	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
	Actual	Actual	Actual	Target	Target	Target
	N/A	N/A	N/A	N/A	N/A	\$19B

<p><b>Description:</b> This measure illustrates the effectiveness of US&amp;FCS advocacy efforts to help U.S. companies win foreign government procurements by providing the dollar value of U.S. export content in advocacy cases won. Improvement in this metric is an indicator that US&amp;FCS advocacy efforts are increasingly effective at ensuring that U.S. business interests receive fair treatment in foreign markets.</p>							
<p><b>Comments on Changes to Targets:</b> This is a new ITA metric. ITA has projected a FY 2012 target of \$19 billion.</p>							
<p><b>Relevant Program Change(s):</b></p>		<p><b>Title:</b> National Export Initiative</p>					
<p><b>Validation and Verification</b></p>							
<p><b>Data Source</b> U.S. Exporters</p>	<p><b>Frequency</b> Annual</p>	<p><b>Data Storage</b> Client Management System</p>	<p><b>Internal Control Procedures</b> ITA utilizes Inspector General reviews and DOC/ITA verification and validation reviews to assess actual measure data. All ITA measures are stored on ITA's knowledge management database – ITA Central.</p>	<p><b>Data Limitations</b> Some of the advocacy cases US&amp;FCS works on require extensive negotiation with a foreign government lasting over 12 months, which results in fluctuation from year-to-year in the results US&amp;FCS reports.</p>	<p><b>Actions to be Taken</b> Questionnaire modification under review to encourage export dollar reporting.</p>		
<p><b>ITA Objective: Increase export value through an emphasis on trade promotion, market access, and interagency collaboration</b></p>							
<p><b>Measure 7:</b> Annual number of SMEs US&amp;FCS assists in exporting to a second or additional country</p>							
		<p><b>FY 2007 Actual</b> New</p>	<p><b>FY 2008 Actual</b> New</p>	<p><b>FY 2009 Actual</b> New</p>	<p><b>FY 2010 Actual</b> New</p>	<p><b>FY 2011 Actual</b> New</p>	<p><b>FY 2012 Target</b> 3,307</p>
<p><b>Description:</b> This measure illustrates the effectiveness of US&amp;FCS in helping more small and medium-sized enterprises (SMEs) to export to a 2nd or additional country. Beginning in FY 2012, this measure will be replacing ITA's current measure "Number of SME NTM firms/SME firms exporting to two to nine markets (annual)" which is dependent on Census reporting schedules often resulting in a lag in calculating ITA performance outcomes.</p>							
<p><b>Comments on Changes to Targets:</b></p>							
<p><b>Relevant Program Change(s):</b></p>		<p><b>Title:</b> National Export Initiative</p>					
<p><b>Exhibit 13 Page no:</b> ITA -92</p>							

Validation and Verification					
Data Source	Frequency	Data Storage	Internal Control Procedures	Data Limitations	Actions to be Taken
U.S. Exporters	Quarterly	Client Management System	ITA utilizes Inspector General reviews and DOC/ITA verification and validation reviews to assess actual measure data. . All ITA measures are stored on ITA's knowledge management database – ITA Central.	Some of the assistance US&FCS provides to U.S. companies requires extensive negotiation with a foreign government or business entity lasting over 12 months, which results in fluctuation from year-to-year in the results US&FCS reports.	None

**DOC Objective 12:** Vigorously enforce U.S. fair trade laws through impartial investigation of complaints, improved access for U.S. firms and workers, and strengthened efforts to ensure compliance with Antidumping/Countervailing Duty remedies.

Validation and Verification						
<b>ITA Objective: Identify and resolve unfair trade practices, monitor and ensure compliance with trade agreements, reduce barriers for U.S. companies to sell abroad, and develop a global economic environment that fosters fair trade</b>						
Measure 8: Percent of identified unfair trade practices (UTPs) affecting U.S. parties addressed through informal/formal intervention or dispute settlement	FY 2007 Actual	FY 2008 Actual	FY 2009 Actual	FY 2010 Actual	FY 2011 Target	FY 2012 Target
		60%	27%	20%	27%	20%
<b>Description:</b> Identified unfair foreign trade practices that impose barriers to trade and competition injuring the interests of U.S. industries in the U.S. and international markets addressed through bilateral, WTO (World Trade Organization) or other multilateral consultations or negotiations. Performance of the measure depends to a significant extent on WTO-related avenues for addressing UTPs, and, therefore, can fluctuate according to WTO activity cycles. Some key venues in the WTO for addressing UTPs include the Subsidies Committee, the Trade Policy Reviews, and Accession negotiating – the scheduling for which is determined by the WTO Secretariat. UTPs are also often addressed through bilateral discussions that take place on the margins of these more formal meetings.						
<b>Comments on Changes to Targets:</b> At present, the FY 2012 target is aligned to historical performance.						
<b>Relevant Program Change(s):</b>	National Export Initiative				<b>Exhibit 13 Page no:</b> ITA – 70	

Validation and Verification					
Data Source	Frequency	Data Storage	Internal Control Procedures	Data Limitations	Actions to be Taken
IA/Office of Policy staff collects and maintains database.	Annual	IA/Office of Policy	IA/Office of Policy keeps workable guidelines and timelines to maintain the audit trail and recording/reporting process. . All ITA measures are stored on ITA's knowledge management database – ITA Central.	Variances exist in the degree of difficulty posed by any particular foreign trade practice or the quality of any particular intervention undertaken.	None

<b>ITA Objective: Vigorously enforce U.S. fair trade laws through impartial investigation of complaints, improved access for U.S. firms and workers, and strengthened efforts to ensure compliance with Antidumping/ Countervailing Duty remedies</b>							
<b>Measure 9: Number of new AD/CVD petitioners counseled</b>		<b>FY 2007 Actual</b>	<b>FY 2008 Actual</b>	<b>FY 2009 Actual</b>	<b>FY 2010 Actual</b>	<b>FY 2011 Target</b>	<b>FY 2012 Target</b>
		78	52	71	44	50	50
<p><b>Description:</b> IA Petition Counseling and Analysis Unit (PCAU) staff assists U.S. companies by 1) helping them to understand the U.S. unfair trade laws dealing with dumping and unfair foreign government subsidies, and the process of filing a petition requesting the initiation of an investigation; 2) providing guidance to potential petitioners to assist them in determining what types of information will be required in order to pursue action against an industry suspected of unfair trade practices; 3) assisting potential petitioners in ensuring their petition is in compliance with statutory initiation standards; and 4) providing small businesses with publicly available tariff and trade data from the U.S. Department of Commerce, the U.S. Treasury, and the U.S. International Trade Commission. The “number of new AD/CVD petitioners counseled” is an indicator of our contacts with U.S. industries and workers to assist their understanding of the U.S. unfair trade laws dealing with dumping and foreign government subsidies. Although IA’s PCAU does outreach activities, the data largely reflect the number of parties that have contacted the PCAU and, therefore, necessarily fluctuates based on circumstances outside of the control of the PCAU. After discussions with the PCAU, whether or not a U.S. industry ultimately files an antidumping (AD) or countervailing duty (CVD) petition, or pursues other options, is a complex decision each party makes after considering the resources involved in participating in the AD or CVD process, whether there is sufficient industry support to meet the legal requirements for initiating an investigation, the possible outcome of any investigation, and other business and economic factors to determine whether it makes business sense to file a case. In addition, the PCAU is prevented by law from disclosing any of its pre-filing contacts with companies and/or law firms, even after a petition has been filed or an investigation has been initiated.</p>							
<b>Comments on Changes to Targets:</b> At present, the FY 2012 target is aligned to historical performance.							
<b>Relevant Program Change(s):</b>		<b>Title:</b> National Export Initiative		<b>Exhibit 13 Page no:</b> ITA – 70			
<b>Validation and Verification</b>							
<b>Data Source</b>	<b>Frequency</b>	<b>Data Storage</b>	<b>Internal Control Procedures</b>	<b>Data Limitations</b>	<b>Actions to be Taken</b>		
The Antidumping/Countervailing Duty Petition Counseling and Analysis Unit (PCAU) maintains a database of its communications with U.S. companies.	Annual	PCAU internal database.	IA analysts entering the data review the data basis to ensure accuracy. . All ITA measures are stored on ITA’s knowledge management database – ITA Central.	Data reflect the number of companies or law firms that have contacted the PCAU. These figures may fluctuate depending on economic circumstances outside the control of the PCAU. Likewise, the targets for this measure are derived from actual numbers due to the PCAU’s inability to control the number of contacts it receives from U.S. industries.	None		

<b>ITA Objective: Vigorously enforce U.S. fair trade laws through impartial investigation of complaints, improved access for U.S. firms and workers, and strengthened efforts to ensure compliance with Antidumping/ Countervailing Duty remedies</b>						
<b>Measure 10:</b> Percent of industry-specific trade barriers that were removed or prevented	<b>FY 2007 Actual</b>	<b>FY 2008 Actual</b>	<b>FY 2009 Actual</b>	<b>FY 2010 Actual</b>	<b>FY 2011 Target</b>	<b>FY2012 Target</b>
	New	29%	30%	35%	20%	20%
<b>Description:</b> This measure quantifies the success of MAS's involvement in removing industry-specific foreign trade barriers. This enables U.S. companies to bring more of their products and services to previously closed foreign markets. This measure captures on a rolling basis the outcome of MAS's efforts to address barriers in foreign markets such as labeling requirements, foreign restrictions on U.S. investment, and spurious foreign standards.						
<b>Comments on Changes to Targets:</b> At present, the FY 2012 target is aligned to historical performance.						
<b>Relevant Program Change(s):</b>	<b>Title:</b> National Export Initiative					<b>Exhibit 13 Page no:</b> ITA – 38

<b>Validation and Verification</b>					
<b>Data Source</b>	<b>Frequency</b>	<b>Data Storage</b>	<b>Internal Control Procedures</b>	<b>Data Limitations</b>	<b>Actions to be Taken</b>
MAS Sector Analyst	Long-Term	MAS Planning and Coordination and Management Office Records	ITA utilizes Inspector General reviews and DOC/ITA verification and validation reviews to assess actual measure data. . All ITA measures are stored on ITA's knowledge management database – ITA Central.	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) may impact the number of barriers removed.	None

<b>ITA Objective: Vigorously enforce U.S. fair trade laws through impartial investigation of complaints, improved access for U.S. firms and workers, and strengthened efforts to ensure compliance with Antidumping/ Countervailing Duty remedies</b>						
<b>Measure 11:</b> Percent of industry-specific trade barrier milestones completed	<b>FY 2007 Actual</b>	<b>FY 2008 Actual</b>	<b>FY 2009 Actual</b>	<b>FY 2010 Actual</b>	<b>FY 2011 Target</b>	<b>FY 2012 Target</b>
	54%	73%	72%	75%	55%	55%
<b>Description:</b> This measure reports on the success of ITA to target and remove industry-specific trade barriers. ITA measures its long term outcomes through the removal or prevention of industry specific barriers (See Measure 10). Key milestones track annual progress toward removal or elimination of each identified barrier. Barriers have been identified by U.S. industry and assessed by MAS program staff to determine their commercial and strategic value.						
<b>Comments on Changes to Targets:</b> At present, the FY 2012 target is aligned to historical performance.						
<b>Relevant Program Change(s):</b>	<b>Title:</b> National Export Initiative					<b>Exhibit 13 Page no:</b> ITA – 38

Validation and Verification					
Data Source	Frequency	Data Storage	Internal Control Procedures	Data Limitations	Actions to be Taken
MAS Sector Analyst	Annual	MAS Planning and Coordination and Management Office Records	ITA utilizes Inspector General reviews and DOC/ITA verification and validation reviews to assess actual measure data. . All ITA measures are stored on ITA's knowledge management database – ITA Central.	These industry specific trade barrier milestones are occasionally subject to externalities such as delays in trade meetings with foreign governments. These factors may accelerate or impede milestone completion.	None

**ITA Objective: Identify and resolve unfair trade practices, monitor and ensure compliance with trade agreements, reduce barriers for U.S. companies to sell abroad, and develop a global economic environment that fosters fair trade**

Measure 12: Number of compliance and market access cases initiated	FY 2007 Actual	FY 2008 Actual	FY 2009 Actual	FY 2010 Actual	FY 2011 Target	FY 2012 Target
	187	227	215	221	210	239

**Description:** This measure provides the number trade compliance and market access cases initiated on behalf of specific companies or industries. This measure tends to fluctuate over time.

**Comments on Changes to Targets:** The FY 2012 target is based on increases to MAC's program under the National Export Initiative.

**Relevant Program Title:** National Export Initiative

**Change(s):** ITA – 52

Validation and Verification					
Data Source	Frequency	Data Storage	Internal Control Procedures	Data Limitations	Actions to be Taken
ITA Compliance and Market Access Management System database	Annual/ Long-Term	ITA Client Tracking System case database	Each month, MAC office managers review case data relevant to their areas in the ITA Client Tracking System case database. ITA utilizes Inspector General reviews, the annual independent financial audit, and DOC/ITA verification and validation reviews to assess actual measure data. . All ITA measures are stored on ITA's knowledge management database – ITA Central.	ITA must persuade a sovereign foreign government to change or remove a law or regulatory standard in order to declare a case a success.	None

**ITA Objective: Identify and resolve unfair trade practices, monitor and ensure compliance with trade agreements, reduce barriers for U.S. companies to sell abroad, and develop a global economic environment that fosters fair trade**

Measure 13: Number of compliance and market access cases resolved successfully	FY 2007 Actual	FY 2008 Actual	FY 2009 Actual	FY 2010 Actual	FY 2011 Target	FY 2012 Target
	82	38	112	98	80	91

**Description:** This measure provides the number of successful resolutions to market access and trade compliance cases, usually representing trade barriers removed via casework involving specific companies or industries. This measure tends to fluctuate over time as the outcome is dependent on the actions by sovereign nations.

<b>Comments on Changes to Targets:</b> The FY 2012 target is based on increases to MAC's program under the National Export Initiative.	
<b>Relevant Program Change(s):</b>	<b>Title:</b> National Export Initiative
<b>Validation and Verification</b>	
<b>Data Source</b>	<b>Frequency</b>
ITA Compliance and Market Access Management System database	Annual/ Long-Term
<b>Data Storage</b>	<b>Internal Control Procedures</b>
ITA Client Tracking System case database	Each month, MAC office managers review case data relevant to their areas in the ITA Client Tracking System case database. ITA utilizes Inspector General reviews, the annual independent financial audit, and DOC/ITA verification and validation reviews to assess actual measure data. . All ITA measures are stored on ITA's knowledge management database – ITA Central.
<b>Data Limitations</b>	<b>Actions to be Taken</b>
ITA must persuade a sovereign foreign government to change or remove a law or regulatory standard in order to declare a case a success.	None

**Section 6. FY 2012 Program Changes**

	Accompanying GPRA		Base (in Thousands)		Increase/Decrease		Page of Exhibit 13 Discussion
	APP Page no.	Performance Measure No.	FTE	Amount	FTE	Amount	
<b>Program Change:</b> National Export Initiative	3-13	1-12	1,897	\$461,611	131	\$78,468	ITA – 38, 52, 70, 92 & 105
<b>Program Change:</b> Program Optimization	3-13	1-12	1,897	\$461,611	(73)	(\$20,212)	ITA – 40, 53, 71, 93 & 106
<b>Program Change:</b> Market Access and Compliance (Commercial Law Development Program)	N/A	N/A	204	\$44,584	5	\$2,500	ITA – 54
<b>Program Change:</b> Termination of Unrequested Congressional Projects	N/A	N/A	0	\$5,715	0	(\$5,715)	ITA – 42, 53, 72, 94 & 106

**Section 7. Resource Requirements Summary**

	FY 2010 Actual	FY 2011 Enacted	FY 2012 Base	Increase/Decrease	FY 2012 Request
<b>DOC Objective #8 (Provide services to improve the competitiveness of small and medium size firms in manufacturing and service industries)</b>					
Manufacturing and Services	\$33.9	\$36.4	\$37.3	-\$1.8	\$35.5
Import Administration	\$10.7	\$10.6	\$10.7	-\$0.1	\$10.6
Commercial Service	\$3.1	\$0.0	\$3.1	\$12.0	\$15.1
Executive Direction/Administration	\$2.8	\$2.9	\$2.9	-\$0.1	\$2.8
Total Funding	\$50.5	\$49.8	\$54.0	\$10.0	\$64.0
Direct	\$49.2	\$51.7	\$52.8	\$9.9	\$62.7
Reimbursable	\$1.3	\$1.2	\$1.2	\$0.1	\$1.3
IT Funding	\$4.2	\$4.6	\$4.4	\$1.1	\$5.5
FTE	198	197	197	0	197

<b>DOC Objective #9. (Increase US export value through an emphasis on trade promotion, market access, compliance and interagency collaboration (including support for small and medium enterprises))</b>					
Manufacturing and Services	\$5.7	\$2.8	\$2.9	\$0.0	\$2.9
Market Access and Compliance	\$24.2	\$24.1	\$23.0	\$2.2	\$25.2
Import Administration	\$8.3	\$8.1	\$8.2	\$0.1	\$8.3
Commercial Service	\$273.3	\$271.0	\$278.6	\$34.6	\$313.2
Executive Direction/Administration	\$18.0	\$19.3	\$18.8	\$2.0	\$20.8
Total Funding	\$329.6	\$325.4	\$331.4	\$38.8	\$370.2
Direct	\$311.0	\$305.9	\$311.9	\$38.2	\$350.1
Reimbursable	\$18.6	\$19.5	\$19.5	\$0.7	\$20.2
IT Funding	\$27.5	\$28.8	\$29.0	\$3.3	\$32.3
FTE	1,170	1,208	1,208	57	1,265

	FY 2010 Actual	FY 2011 Enacted	FY 2012 Base	Increase/ Decrease	FY 2012 Request
<b>DOC Objective #12 (Vigorously enforce U.S. fair trade laws through impartial investigation of complaints, improved access for U.S. firms and workers, and strengthened efforts to ensure compliance with Antidumping/Countervailing Duty remedies)</b>					
	<b>FY 2010 Actual</b>	<b>FY 2011 Request</b>	<b>FY 2012 Base</b>	<b>Increase/ Decrease</b>	<b>FY 2012 Request</b>
Manufacturing and Services	\$11.6	\$11.4	\$11.8	-\$0.2	\$11.6
Market Access and Compliance	\$22.9	\$22.8	\$21.8	\$6.1	\$27.9
Import Administration	\$56.5	\$55.4	\$57.1	\$1.9	\$59.0
Commercial Service	\$4.7	\$4.6	\$4.9	-\$0.3	\$4.6
Executive Direction/Administration	\$6.7	\$7.1	\$6.9	-\$0.2	\$6.7
<b>Total Funding</b>	<b>\$102.4</b>	<b>\$101.4</b>	<b>\$102.5</b>	<b>\$7.2</b>	<b>\$109.7</b>
Direct	\$101.9	\$101.0	\$102.1	\$6.9	\$109.0
Reimbursable	\$0.5	\$0.4	\$0.4	\$0.3	\$0.7
IT Funding	\$8.6	\$9.0	\$9.0	\$1.1	\$10.1
FTE	498	514	514	15	529

<b>Grand Total</b>					
Total Funding	\$482.5	\$476.6	\$487.9	\$56.0	\$543.9
Direct	\$462.1	\$458.6	\$466.8	\$55.0	\$521.8
Reimbursable	\$20.4	\$21.1	\$21.1	\$1.1	\$22.2
IT Funding	\$40.3	\$42.4	\$42.4	\$5.4	\$47.9
FTE	1,866	1,919	1,919	72	1,991

Note: Worsted Wool account included in IA. Differences in totals are the result of rounding.

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**Department of Commerce  
International Trade Administration  
Operations and Administration  
SUMMARY OF RESOURCE REQUIREMENTS**  
(Dollar amounts in thousands)

FY 2011 (CR) (Annualized)	2,088	1,897	453,291	446,765
less: Obligations from prior years	0	0	(6,526)	0
plus: 2012 Adjustments-to-Base	0	0	14,846	14,846
<b>ITA- 27</b>				

FY 2012 Base	2,088	1,897	461,611	461,611
less: Administrative Savings	(9)	(9)	(8,631)	(8,631)
plus: FY 2012 Program Changes	121	72	63,672	63,672
Total FY 2012 Estimate	2,200	1,960	516,652	516,652

Comparison by activity/subactivity

	2010 Actual		2011 CR (Annualized)		2012 Base		2012 Estimate		Increase/ (Decrease)
	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	
ITA- 33 Manufacturing and Services	242	49,530	242	49,530	242	51,011	224	48,804	(18)
FTE/Obl.	212	50,255	209	49,606	209	51,011	186	48,804	(23)
ITA- 47 Market Access and Compliance	226	43,212	226	43,212	226	44,584	248	52,477	22
FTE/Obl.	202	46,933	204	46,739	204	44,584	219	52,477	15
ITA- 61 Import Administration	415	68,290	343	68,290	343	70,556	350	72,335	7
FTE/Obl.	318	69,997	331	68,670	331	70,556	334	72,335	3
ITA- 85 Trade Promotion and U.S. & Foreign Commercial Service	1,149	258,438	1,149	258,438	1,149	267,552	1,250	313,554	101
FTE/Obl.	992	263,125	1,041	259,662	1,041	267,552	1,109	313,554	68
ITA-101 Executive Director/Administration	149	27,295	128	27,295	128	27,908	128	29,482	0
FTE/Obl.	112	26,452	112	28,614	112	27,908	112	29,482	0

<b>TOTALS</b>	2,181	446,765	2,088	446,765	2,088	461,611	2,200	516,652	112	55,041
FTE/Obl.	1,836	456,762	1,897	453,291	1,897	461,611	1,960	516,652	63	55,041
Fees		9,549		9,439		9,439		9,439		

Adjustments for:										
Recoveries	(6,475)	0	0	0	0	0	0	0	0	0
Refunds	(784)	0	0	0	0	0	0	0	0	0
Unobligated balance, start of year	(4,243)	(5,376)	0	0	0	0	0	0	0	0
Unobligated balance, start of year transferred	(3,890)	(1,150)	0	0	0	0	0	0	0	0
Unobligated balance, expiring	19	0	0	0	0	0	0	0	0	0
Unobligated balance, end of year	5,376	0	0	0	0	0	0	0	0	0
Unobligated balance, end of year unavailable	1,150	0	0	0	0	0	0	0	0	0
Financing from:										
Transfers to other accounts	0	0	0	0	0	0	0	0	0	0
Transfers from other accounts	(1,150)	0	0	0	0	0	0	0	0	0
<b>Appropriation</b>	446,765	446,765	446,765	446,765	446,765	461,611	516,652	516,652	55,041	55,041

ITA FTE and positions in FY 2011 and FY 2012 have been adjusted to match staffing plan and eliminate unfunded/non-essential positions.

**Department of Commerce**  
**International Trade Administration**  
**Operations and Administration**  
**SUMMARY OF REIMBURSABLE OBLIGATIONS**  
(Dollar amounts in thousands)

Comparison by activity:	2010		2011		2012		2012		Increase/ (Decrease)	
	FTE	Amount	FTE	Amount	FTE	Amount	Estimate FTE	Amount	FTE	Amount
Manufacturing and Services	1	985	1	1,000	1	1,000	3	1,206	2	206
Market Access and Compliance	0	186	0	200	0	200	3	582	3	382
Import Administration	1	91	1	100	1	100	2	218	1	118
Trade Promotion/U.S. & Foreign Commercial Service	23	18,004	16	19,038	16	19,038	18	19,304	2	266
Executive Direction/Administration	5	1,126	4	699	4	699	5	780	1	81
<b>Total</b>	<b>30</b>	<b>20,392</b>	<b>22</b>	<b>21,037</b>	<b>22</b>	<b>21,037</b>	<b>31</b>	<b>22,090</b>	<b>9</b>	<b>1,053</b>

Exhibit 7

Department of Commerce  
 International Trade Administration  
 Operations and Administration  
**SUMMARY OF FINANCING**  
 (Dollar amounts in thousands)

	2010 Actual	2011 CR (Annualized)	2012 Base	2012 Estimate	Increase/ (Decrease)
Total Obligations	477,154	474,328	482,648	538,742	56,094
Financing:					
Offsetting collections from:					
Federal funds	(10,843)	(11,598)	(11,598)	(12,651)	(1,053)
Non-Federal funds	(9,549)	(9,439)	(9,439)	(9,439)	0
Recoveries	(6,475)	0	0	0	0
Refunds	(784)	0	0	0	0
Unobligated balance, start of year	(4,243)	(5,376)	0	0	0
Unobligated balance, start of year transferred	(3,890)	(1,150)	0	0	0
Unobligated balance, expiring	19	0	0	0	0
Unobligated balance, end of year	5,376	0	0	0	0
Unobligated balance, end of year unavailable	1,150	0	0	0	0
Budget Authority	447,915	446,765	461,611	516,652	55,041
Financing:					
Transferred to other accounts	0	0	0	0	0
Transferred from other accounts	(1,150)	0	0	0	0
Appropriation	446,765	446,765	461,611	516,652	55,041

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**Department of Commerce  
International Trade Administration  
Operations and Administration  
JUSTIFICATION OF ADJUSTMENTS TO BASE**  
(Dollar amounts in thousands)

	<u>FTE</u>	<u>Amount</u>
<u>Adjustments:</u>		
<b>Restoration of Adjustments to Base for FY 2011 (less Pay Raises)</b> .....		<b>6,142</b>
<u>Other Changes:</u>		
<b>Pay Raises [for Locally Engaged Staff only]</b> .....		<b>1,161</b>
Full-year cost of 2011 pay increase and related costs:		
The 2011 President's budget assumes a pay raise of 1.4% effective January 1, 2011.		
Total cost in 2012 of 2011 pay raise		659,000
Less amount funded in 2011		(439,333)
Amount requested in 2012 to provide full-year costs of 2011 pay increase		<u>219,667</u>
A general pay raise of 2.3% is assumed to be effective January 1, 2012		
Total cost of 2012 of pay increase		941,000
Payment to Working Capital Fund		<u>0</u>
Total, adjustment for 2012 Pay Raise		<u>941,000</u>
<b>Civil Service Retirement System (CSRS)</b> .....		<b>(184)</b>
The number of employees covered by the Civil Service Retirement System (CSRS) continues to drop as Positions become vacant and are filled 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 12.2% in 2011 to 10.7% in 2012 for regular employees and foreign service employees will drop from 7.70% in 2011 to 5.50% in 2012. Contribution rates will remain at 7.00% for regular employees and 7.25% for foreign service		
Regular:		
2012 \$138,128,750 x .107 x .0700		1,034,584
2011 \$138,128,750 x .122 x .0700		<u>1,179,620</u>
Subtotal		(145,035)
Foreign Service:		
2012 \$24,635,250 x .055 x .0725		98,233
2011 \$24,635,250 x .077 x .0725		<u>137,526</u>
Subtotal		<u>(39,293)</u>
Total adjustment-to-base		<u>(184,328)</u>

**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 87.8% in 2011 to 89.3% in 2012 for regular employees and from 92.3% to 94.5% for foreign service employees. The contribution rate will remain at 11.7% in 2012 for regular employees, and will increase from 24.03% in 2011 to 27.10% in 2012 for foreign service employees.

Regular:		
2012	\$138,128,750 x .893 x .117	14,431,830
2011	\$138,128,750 x .878 x .117	14,189,414
Subtotal		<u>242,416</u>
Foreign Service:		
2012	\$24,635,250 x .945 x .271	6,308,964
2011	\$24,635,250 x .923 x .2403	5,464,022
Subtotal		<u>844,941</u>
Total adjustment-to-base		<u>1,087,357</u>

**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:		
2012	\$138,128,750 x .893 x .02	2,466,979
2011	\$138,128,750 x .878 x .02	2,425,541
Subtotal		<u>41,439</u>
Foreign Service:		
2012	\$24,635,250 x .945 x .02	465,606
2011	\$24,635,250 x .923 x .02	454,767
Subtotal		<u>10,840</u>
Total adjustment-to-base		<u>52,278</u>

**Federal Insurance Contribution Act (FICA)**.....

As the percentage of payroll covered by FERS rises, the cost of Old Age Survivor and Disability Insurance (OASDI) contributions will increase. The contribution rate will remain 6.2% in 2012.

Regular:		
2012	\$138,128,750 x .893 x .976 x .062	7,464,093
2011	\$138,128,750 x .878 x .954 x .062	7,173,295
Subtotal		<u>290,799</u>
Foreign Service:		
2012	\$24,635,250 x .945 x .736 x .062	1,062,327
2011	\$24,635,250 x .923 x .912 x .062	1,285,716
Subtotal		<u>(223,390)</u>
Other Salaries; Regular Salaries		
2012	\$377,000 x .976 x .062	22,813
2011	\$377,000 x .954 x .062	22,299
Subtotal		<u>514</u>
Total adjustment-to-base		<u>67,923</u>

**Health Insurance**..... **946**

Effective January 2010, this bureau's contribution to Federal employees' health insurance premiums increased by an average rate of 7.6%. Applied against the 2011 estimate of \$12,450,000, the additional amount required is \$946,200.

**Federal Employee's Compensation Act**..... **(7)**

The Employee's Compensation Fund bill for the year ending in June 30, 2010 is \$7,000 lower than the bill for the year ending in June 30, 2009. Upon enactment of the 2012 appropriation, ITA will reimburse the Department of Labor pursuant to 5 U.S.C. 8147.

**Travel (Mileage)**..... **(25)**

Effective January 1, 2010 the reimbursable rate for the use of a privately owned automobile decreased from \$0.55 to \$.50 per mile. A rate decrease of 9% was applied to the 2011 estimate of \$281,000 to arrive at a decrease of \$25,290 for 2012.

**Domestic Per Diem**..... **266**

The average rate for domestic per diem increased by 6.4%. This percentage was applied to the 2011 estimate of \$4,154,000 to arrive at an increase of \$265,856.

**Foreign Per Diem**..... **164**

The average rate for foreign per diem increased by 5.4%. This percentage was applied to the 2011 estimate of \$3,060,000 to arrive at a increase of \$163,776.

<u>FTE</u>	<u>Amount</u>
<b>Rental Payments to GSA</b> .....	<b>258</b>
GSA rates are projected to increase 1.7% in 2012. This percentage was applied to the 2011 estimate of \$15,185,000 to arrive at an increase of \$258,145.	
<b>Rental Payments to GSA [Cost of Renovated Space]</b> .....	<b>1,516</b>
While the cost of renovating the HCHB is covered under separate appropriation, bureaus that move into swing space or return to newly renovated space are responsible for paying any changes to space costs. GSA informed Commerce that the cost for renovated space will be \$2.77 per foot higher per month than unrenovated space. By FY 2012, ITA will be occupying 45,613 square ft of renovated space. The increase was applied against the renovated square footage and annualized (multiplied by 12) to arrive at an increase of \$1,516,176.	
<b>HCHB Water</b> .....	<b>17</b>
HCHB Steam costs are projected to increase 5% in 2012. This percentage was applied to a 2011 estimate of \$349,000 to arrive at an increase of \$17,450.	
<b>HCHB Electricity</b> .....	<b>628</b>
HCHB Electricity costs are projected to increase 27.0% in 2012. This percentage was applied to a 2011 estimate of \$2,325,000 to arrive at an increase of \$627,750.	
<b>General Printing Office (GPO) Printing</b> .....	<b>18</b>
influenced through the market system. A factor of 1.2% was applied to the 2011 printing estimate of \$1,500,000 to arrive at an increase of \$18,000.	
<b>Working Capital Fund (WCF)</b> .....	<b>1,357</b>
An increase of \$1,357,000 is required to fund cost increases in the Department's Working Capital Fund (WCF) to fund program changes. Within this amount is a decrease of \$1,369,000 to reflect savings generated by Departmental Management in the WCF in response to the Administration's Administrative Efficiency Initiative.	
<b>Commerce Business System (CBS)</b> .....	<b>52</b>
An increase of \$52,000 is required to support ITA's continued use of the CBS accounting system.	
<b>International Cooperative Administrative Support Services (ICASS)</b> .....	<b>320</b>
An increase of 1.3% was applied to the 2011 ICASS estimate of \$24,606,000 to arrive at an increase of \$319,878. The Department of State is the primary provider for 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. This increase is required to maintain current level of ICASS support at ITA's existing overseas offices.	

**Non International Cooperative Administrative Support Services (ICASS) Local Guard.....** **15**

This request applies OMB economic assumptions for 2012 to areas where the prices that the government pays are established through the market system. A rate increase of 1.2 % was applied to the 2010 projected cost of \$1,287,898 to arrive at an increase of \$15,455. This increase is based on ICASS-related guard services cost increase and is driven by requirement for more expensive and increased number of security personnel.

**Military Pouch.....** **9**

This request applies OMB economic assumptions for 2012 to areas where the prices that the government pays are established or influenced through the market system. A rate of increase of 1.2% was applied to the 2010 projected cost of \$756,447 to arrive at an increase of \$9,077. The increase is needed for security and anthrax-related devices during pouch mail delivery.

**General Pricing Level Adjustment.....** **725**

This request applies OMB economic assumptions for 2012 to sub-object classes where the prices that the Government pays are established through the market system. A factor of 1.2% was applied to: rental payment to others; transportation of things; communications, utilities, and miscellaneous charges (excluding postage); supplies and materials; equipment and other services (excluding DOC's Department of Management (DM) and Working Capital Fund (WCF) Payments).

Transportation of things	19
Rental payment to others	5
Communications, utilities and misc charge	24
Other Services	590
Supplies and materials	23
Equipment	64
<b>Total</b>	<b>725</b>

**Overseas Price Increases.....** **261**

The overseas price increases is based on anticipated overseas price increases in FY 2012 in countries in which ITA conducts operations. The percentage of 1.2% was applied to a base of \$21,720,852 to arrive at an increase of \$260,650.

Subtotal, other changes	0	<b>14,846</b>
Less: amount absorbed	0	0
<b>Total, Adjustments to Base</b>	<b>0</b>	<b>14,846</b>

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**Department of Commerce**  
**International Trade Administration**  
**Operations and Administration**  
**PROGRAM AND PERFORMANCE: DIRECT OBLIGATIONS**  
(Dollar amounts in thousands)

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

<b>DOC Objective</b>	2010 Actual	2011 CR (Annualized)		2012 Base		2012 Estimate		Increase/ (Decrease)		
		Personnel	Amount	Personnel	Amount	Personnel	Amount		Personnel	Amount
Provide services to improve the competitiveness of small and medium size firms in manufacturing and service industries	167	32,455	167	35,296	167	36,316	150	34,433	(17)	(1,883)
	146	32,930	144	35,350	144	36,316	122	34,433	(22)	(1,883)
Increase US export value through an emphasis on trade promotion, market access, compliance and interagency collaboration (including support for small and medium enterprises)	13	5,645	13	2,804	13	2,889	13	2,848	0	(41)
	12	5,728	12	2,808	12	2,889	12	2,848	0	(41)
Vigorously enforce U.S. fair trade laws through impartial investigation of complaints; improved access for U.S. firms and workers; and, strengthened efforts to ensure compliance with Antidumping/Countervailing Duty remedies	62	11,430	62	11,430	62	11,806	61	11,523	(1)	(283)
	54	11,597	53	11,448	53	11,806	52	11,523	(1)	(283)
<b>Total</b>	<b>242</b>	<b>49,530</b>	<b>242</b>	<b>49,530</b>	<b>242</b>	<b>51,011</b>	<b>224</b>	<b>48,804</b>	<b>(18)</b>	<b>(2,207)</b>
	<b>212</b>	<b>50,255</b>	<b>209</b>	<b>49,606</b>	<b>209</b>	<b>51,011</b>	<b>186</b>	<b>48,804</b>	<b>(23)</b>	<b>(2,207)</b>

ITA positions in FY 2011 and FY 2012 have been adjusted to match staffing plan and eliminate unfunded/non-essential positions.

**Department of Commerce**  
**International Trade Administration**  
**Operations and Administration**  
**PROGRAM AND PERFORMANCE: REIMBURSABLE OBLIGATIONS**  
(Dollar amounts in thousands)

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

	2010 Actual	2011 CR (Annualized)		2012 Base		2012 Estimate		Increase/ (Decrease)	
		Personnel	Amount	Personnel	Amount	Personnel	Amount		Personnel
<b>Program</b>									
Provide services to improve the competitiveness of small and medium size firms in manufacturing and service industries	1	985	1,000	1	1,000	2	1,103	1	103
	FTE/Obl.	1	985	1	1,000	2	1,103	1	103
Increase US export value through an emphasis on trade promotion, market access, compliance and interagency collaboration (including support for small and medium enterprises)	0	0	0	0	0	0	0	0	0
	FTE/Obl.	0	0	0	0	0	0	0	0
Vigorously enforce U.S. fair trade laws through impartial investigation of complaints, improved access for U.S. firms and workers, and strengthened efforts to ensure compliance with Antidumping/Countervailing Duty remedies	0	0	0	0	0	1	103	1	103
	FTE/Obl.	0	0	0	0	1	103	1	103
<b>Total</b>	<b>1</b>	<b>985</b>	<b>1,000</b>	<b>1</b>	<b>1,000</b>	<b>3</b>	<b>1,206</b>	<b>2</b>	<b>206</b>
	FTE/Obl.	1	985	1	1,000	3	1,206	2	206

**APPROPRIATION ACCOUNT: OPERATIONS AND ADMINISTRATION****BUDGET ACTIVITY: MANUFACTURING AND SERVICES**

For FY 2012, ITA requests a decrease of \$726,000 and 26 FTE from the FY 2010 enacted level for a total of \$48,804,000 and 186 FTE for Manufacturing and Services (MAS).

**BASE JUSTIFICATION FOR FY 2012:****Manufacturing and Services Overview**

The mission of MAS is to strengthen the international competitiveness of U.S. industry and increase exports.

MAS combines its analytical capabilities with its in-depth international and industry knowledge to provide assessments and policy recommendations to advance the competitiveness of U.S. manufacturing and service industries in the context of the National Export Initiative (NEI). MAS develops critical economic and policy analysis and information to promote U.S. business international competitiveness, focusing on high growth export sectors; ensure appropriate industry and other stakeholder input into trade policy development, negotiations and implementation; and, evaluate different industry and other stakeholder perspectives on the development, assessment and implementation of domestic policies that may affect achievement of NEI goals. MAS also administers programs that support small- and medium-sized exporters' access to global markets, such as the Market Development Cooperator Program (MDCP) and Export Trading Company Program. MAS works collaboratively within the Department of Commerce (DOC) and across the Federal government, to identify key U.S. Government players in priority sectors and helps facilitate comprehensive export expansion strategies in these sectors. MAS serves as the primary federal liaison between industry and the U.S. Government on industry-specific trade issues.

The MAS (\$48.8 million and 186 FTE) unit is organized into 4 subactivities under the Operations and Administration account:

- Manufacturing Industries
- Services Industries
- Industry Analysis
- Advisory Committees

**Significant Adjustments-to-Base (ATBs):**

The FY 2012 ATB request is a net increase of 0 FTE and \$1.5 million to fund inflationary adjustments to current programs for MAS activities. The increase will provide inflationary increases for overseas local labor increases as well as increased costs for non-labor activities, including service contracts, utilities, field office lease payments, and rent charges from the General Service Administration (GSA). Within the above total is a reduction of \$231 thousand in administrative cost savings identified through the Department's Working Capital Fund (see the Departmental Management Working Capital Fund section for more details).

**ADMINISTRATIVE COST SAVINGS:**

The Administration is pursuing an aggressive government-wide effort to curb non-essential administrative spending called the Administrative Efficiency Initiative. In order to be good stewards of

taxpayer money the Federal Government is improving the efficiency of programs without reducing their effectiveness. As such, the President directed each agency to analyze its administrative costs and identify savings where possible. After reviewing its administrative costs, ITA has identified \$10.0 million in administrative savings through business process reengineering in areas such as acquisition, human capital, IT related items, logistics plans and in general administrative support. Within the above total is a reduction of \$1.4 million in administrative cost savings identified through the Department's Working Capital Fund (see the Departmental Management Working Capital Fund section for more details). The \$10.0 million in administrative savings represents real reductions to ITA's funding level and will help reduce overall spending by the Federal government. Of the \$10.0 million in administrative savings total for ITA, MAS will produce \$1.6 million through reductions described in the program change section.

## **SUBACTIVITIES: MANUFACTURING INDUSTRIES AND SERVICES INDUSTRIES**

### **Assessments of Export Opportunities and Barriers**

MAS supports the NEI by providing in-depth economic and policy analysis and information to promote U.S. business competitiveness, focusing on high growth export sectors; ensuring appropriate industry and other stakeholder input into trade policy development, negotiations and implementation; and evaluating different industry and other stakeholder perspectives for policy development, assessment and implementation. MAS analysis focuses on jobs supported by trade, the characteristics of exporting firms, and the impact of regulation on U.S. international competitiveness and jobs.

MAS supports the international competitiveness interests of U.S. companies and industries in the Federal regulatory review process by seeking to ensure that, for rules that affect export-dependent sectors, all viable alternatives are considered so that regulatory goals are achieved while minimizing impact on the NEI goal of doubling exports. It conducts analyses of the economic environment for manufacturing and services industries from a global perspective and makes recommendations to enhance that environment to achieve NEI goals.

MAS also supports DOC involvement with U.S. Government export finance and lending organizations, such as the Export-Import Bank and the Overseas Private Investment Corporation.

MAS works to ensure the long-term international competitiveness, environmental sustainability, and energy security of U.S. industry through its Sustainable Manufacturing (SMI) and Energy Efficiency Initiatives, focusing on export intensive and high export potential sectors in support of NEI goals. The mission of the SMI is to identify U.S. industry's priority sustainability needs, challenges and opportunities, and to develop and coordinate public-private sector efforts that support these priorities. In addition, MAS works with industry stakeholders, the Department of Transportation and other agencies to address supply chain security issues faced by exporters.

MAS develops negotiating priorities and recommends strategies to overcome industry-specific tariff and non-tariff barriers, open markets, promote mutual recognition of standards and regulations, and to deal with other sensitive issues that affect trade in manufactured goods and services. MAS' expertise in trade and industry analysis and its database tools enable MAS to provide critical input throughout all phases of negotiations, and the United States Trade Representative (USTR) relies heavily on MAS analysis. In addition, MAS plays a critical role following the conclusion of trade negotiations by analyzing and reporting on potential benefits to U.S. producers and consumers.

MAS has the DOC lead on the implementation of safeguard actions which are designed to provide a remedy for imports that have caused market disruption to the domestic industry. MAS

analyzes the economic and competitive effects of remedy measures, and coordinates the overall DOC recommendation on the remedy to USTR.

### **Export Strategies**

MAS specialists provide expertise in trade data and analysis, policy analysis from industry input, and comprehensive assessments of export opportunities and barriers in key export-intensive sectors. This expertise serves as the basis for developing ITA's sector-specific strategies that identify trade policy challenges and commercial opportunities, with the goal of coordinating public and private sector efforts to support the expansion of exports. Examples of such export strategies include the Civil Nuclear Trade Initiative (CNTI) and the Renewable Energy, Energy Efficiency Export Initiative (RE4I).

The CNTI involves four areas of work: a Trade Promotion Coordinating Committee (TPCC) Interagency Working Group on Civil Nuclear Trade; a Civil Nuclear Trade Advisory Committee; stakeholder resources – reports, programs and events targeted at the civil nuclear sector; and trade policy and promotion activities targeted at strengthening the competitiveness of the U.S. nuclear industry. The RE4I is an interagency effort to double Renewable Energy and Energy Efficiency (RE&EE) exports by 2015, to help meet the goal of the NEI. The Initiative incorporates 23 commitments from eight agencies for programs, actions, and deliverables that help address the major export barriers facing U.S. renewable energy and energy efficiency companies. .

### **Standards**

Standards are a critical issue for manufacturing and services industries' competitiveness in global markets, as they can facilitate international trade or, alternatively, impede access to foreign markets. Many U.S. industries view standards and their application as the principal non-tariff barrier in markets around the world. MAS houses ITA's Standards Liaison program, to ensure that industry's priorities on standards are promoted through DOC's international policies and programs. The Standards Liaison program facilitates coordination among ITA units and related offices that address standards issues and also serves as ITA's primary link with private sector standards developers and related organizations. Within MAS, industry experts identify and work to address the impact of divergent standards, redundant testing and compliance procedures on U.S. industry competitiveness. MAS activities focus on understanding and leveraging the domestic and international linkages between government regulations and standards, working to minimize the trade-restrictive impact of foreign standards and conformity assessment procedures on U.S. industry, and promoting a private sector-led, market-based approach to standards development.

### **Market Development Cooperator Program**

The MDCP is a key component of the NEI. The MDCP provides Federal financial and technical assistance to trade associations, chambers of commerce and other industry groups that are particularly effective in reaching and assisting small- and medium-sized enterprises. Such groups compete for a limited number of MDCP partnerships and must put up at least two-thirds of the project cost if they are selected. MDCP partnerships help to underwrite the start-up costs of competitiveness-enhancement projects which these groups are often reluctant to undertake without Federal government support. Much of the competitiveness that MDCP projects engender can be measured in terms of exports. Since the program began in FY 1993, MDCP award winners have generated more than \$3 billion in exports. When all projects funded between 1993 and 2009 are completed, the private sector will have invested more than \$80.2 million to increase global competitiveness as a result of the U.S. Government's \$29.3 million expenditure. Since standardized export reporting was initiated in FY 1997, MDCP-assisted exports have averaged \$219 million per year. Between FY 1997 and FY 2009, the MDCP has helped generate \$131 in exports for every \$1 of the Federal contribution to the MDCP award.

## **SUBACTIVITY: INDUSTRY ANALYSIS**

MAS provides data and analysis to support the NEI and effective decision making by policymakers, U.S. businesses, and the American public. It facilitates understanding economic opportunities, needs and challenges. MAS trade and export promotion analysis was crucial in the formulation of the NEI and is being used to provide the baseline metrics to gauge its progress and success. The MAS data are used throughout ITA by industry and country analysts to address economic barriers and by international trade specialists to assist companies in indentifying the best export opportunities.

MAS manages a state-of-the-art information-delivery system for trade information, TradeStats Express ([www.tse.export.gov](http://www.tse.export.gov)). TradeStats Express vastly expands information accessibility to ITA's stakeholders through a web-based interface that features interactive data retrieval, user customization, data visualization on map-based interfaces, and flexible downloading and printing. MAS supports the development of economic profiles of the U.S. exporting community, U.S. exports data at the state and metropolitan 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, as well as, to Federal, state, and local government entities involved in supporting export expansion efforts.

At the request of Congress, MAS uses the data to analyze miscellaneous tariff bills to ascertain their impact on the competitiveness of U.S. industry. Based on the analysis, MAS recommends an Administration position. In FY 2010, MAS analyzed and made recommendations on nearly 1,000 bills.

## **SUBACTIVITY: ADVISORY COMMITTEES**

MAS manages an extensive formal industry advisory program, which serves as a communications channel for U.S. companies to express their views to U.S. policymakers on trade and other economic policy issues. The 22 advisory committees with more than 500 industry representatives provide a critical link between the economic interests of U.S. industries and the broader public policy concerns of the U.S. Government, including trade and economic policies. The advisory committees include the President's Export Council, the Manufacturing Council, 16 Industry Trade Advisory Committees (administered jointly with USTR), the Environmental Technologies Trade Advisory Committee, the Civil Nuclear Trade Advisory Committee, the Renewable Energy and Energy Efficiency Advisory Committee, and the Travel and Tourism Advisory Board.

## **PROGRAM CHANGES FOR FY 2012:**

**National Export Initiative (+14 FTE, +\$5,120,000):** ITA is requesting 14 FTE and \$5.2 million to support Manufacturing and Services' contribution to the implementation of the Agency-wide National Export Initiative which will expand exports for economic growth and job creation.

### **Statement of Need and Economic Benefits:**

In his 2010 Address, President Obama announced the National Export Initiative (NEI), which set a goal of doubling exports over the next five years, an increase that will support millions of American jobs and lead to long-term, sustainable economic growth for the United States. The President reiterated, in his 2011 State of the Union Address, the critical role of exports in America's economic recovery. ITA's export promotion services and advocacy for open markets directly support the NEI and this budget request is critical to help meet the President's goal.

Exporting is fundamentally a decision driven by our entrepreneurs, workers and farmers. But, businesses attempting to close an export sale today face many hurdles, including lack of readily

available information about exporting and market research, challenges obtaining export financing and strong competition from foreign companies and foreign governments. The NEI is the Administration's commitment to serve as a full partner with U.S. businesses to promote American-made goods and services worldwide.

The President signed Executive Order 13534 on March 11, 2010. The U.S. Department of Commerce (DOC) and the ITA are directly responsible for addressing the following priorities highlighted in the Executive Order:

1. Expanding programs designed to enhance exports by small and medium-sized enterprises;
2. Promoting federal resources currently available to assist exports by U.S. companies;
3. Ensuring that U.S. Government led trade missions effectively promote exports by U.S. companies;
4. Ensuring that Commercial Advocacy effectively promotes exports by U.S. companies;
5. Improving market access overseas for our manufacturers, farmers and service providers by actively opening new markets, reducing significant trade barriers, and robustly enforcing our trade agreements;
6. Developing a framework, including policy and export promotion tools, for exports of services.

U.S. industry's ability to export and increase its global market share is the key to long-term success and, most importantly, to sustained economic growth and job creation.

ITA plays a critical role in implementing the President's NEI and ITA's FY 2012 budget request is designed to meet his challenge. ITA's contribution to the President's NEI leverages our infrastructure and programs to focus on key factors that will contribute to domestic job creation. The NEI has the potential to make a significant contribution to economic growth in the U.S. and to stimulate domestic job creation. By increasing the number of U.S. firms that export and enabling them to increase their volume of exports, new higher-wage jobs will be created, and U.S. companies will be better able to compete in the expanding global marketplace. Through the NEI, MAS would:

- Recruit Washington-based specialists to provide the necessary policy guidance and analytical input to overseas staff to optimize advocacy and support for U.S. exporters to remove government imposed non-tariff barriers such as standards or technical barriers and subsidies, and develop and implement anti-corruption programs.
- Increase funding for innovative public-private partnerships to promote exports. Enhance public-private partnerships by providing \$2.0 million for additional Market Development Cooperator Program (MDCP) grants.
- Create on-line competitiveness toolkits for SMEs, customized for individual industries that can be used to boost innovation, enable sustainable manufacturing, and make other improvements that affect competitiveness. The toolkits will include:
  - Industry Stats Express—an industry-based statistical tool, which provides competitiveness benchmark information
  - Industry assessments that help businesses identify the most important issues that might affect their global business competitiveness
  - Assessments of key foreign markets in terms of export opportunities for high-growth industries. Firms could then target leading countries for trade promotion and in-depth market analysis.
  - Additional web presence/content targeted to both U.S. exporters and international buyers.
- Implement an export promotion plan targeted at top services sectors in export value (e.g. travel and tourism industry, construction services, etc.). Provide a benchmark of state-level services trade data to better understand the importance of services to the U.S. economy.

**Program Optimization (-37 FTE, -\$6,749,000):** ITA requests a decrease of \$6.7 million and 37 FTE to support the Administration's deficit reduction goals and focus MAS's industry coverage on advancing the implementation of the Agency-wide National Export Initiative which will expand exports for economic growth and job creation. Within the above total is a reduction of \$1.6 million in Administrative Cost Savings.

The NEI has the potential to make a significant contribution to economic growth in the U.S. and to stimulate domestic job creation. By increasing the number of U.S. firms that export and enabling them to increase their volume of exports, new higher-wage jobs will be created, and U.S. companies will be better able to compete in the expanding global marketplace.

**Proposed Action:**

ITA has thoroughly evaluated MAS staffing and programs and determined that maintaining coverage of a broad number of industry sectors has resulted in superficial coverage of some sectors, largely those where exports are not a key component. ITA proposes to sharpen MAS's focus on export intensive industry sectors/sub-sectors and those with a higher export potential, and reduce coverage of industries with lower connectivity to exporting. This will allow MAS to make the most effective use of limited resources in support of the NEI. The decrease will eliminate coverage of professional services and all machinery subsectors, except construction and mining equipment. MAS will reduce coverage of sectors such as metals, mining, building products, consumer goods, and autos/auto parts.

**Base Resource Assessment:**

The high priority sectors identified in the NEI would be covered in depth, with MAS analysts serving as ITA relationship managers for these sectors, leveraging industry expertise and the extensive relationships that MAS analysts have or would develop moving forward. MAS would provide timely data and analysis to support NEI initiatives and programs, analytical assessments of export opportunities and barriers in high-potential export sectors, and sector-focused global export strategies. Personnel affected by the reductions would be given the opportunity to be assigned to appropriate NEI-related positions.

**Schedule and Milestones:**

The proposed reductions would be executed by or before the beginning of FY 2012.

**Deliverables:**

- 37 FTE covering industries with low export connectivity would be eliminated.

**Termination of Unrequested Congressional Projects (-\$578,000):** ITA requests a decrease of \$578 thousand to eliminate funding for MAS's share of the \$5.2 million in Congressionally designated spending items identified in House Report 111-366.

**Proposed Actions:**

MAS combines its analytical capabilities with its in-depth international and industry knowledge to provide assessments and policy recommendations to advance the competitiveness of U.S. manufacturing and service industries in the context of the National Export Initiative (NEI). Termination of earmarks will not affect MAS performance measures.

**Base Resource Assessment:**

As the current 2011 Continuing Resolution is silent on the treatment of earmarks, it is assumed to contain funding for these projects.

**Performance Goals and Measurement Data**

<b>Performance Goal:</b>	<b>FY</b>	<b>FY</b>	<b>FY</b>	<b>FY</b>	<b>FY</b>	<b>FY</b>
<b>Annual cost savings resulting from the adoption of MAS recommendations contained in MAS studies and analysis (dollars in millions)</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
	<b>Target</b>	<b>Target</b>	<b>Target</b>	<b>Target</b>	<b>Target</b>	<b>Target</b>
<b>With Change</b>	<b>\$350</b>	<b>\$350</b>	<b>\$350</b>	<b>\$350</b>	<b>\$350</b>	<b>\$350</b>
<b>Without Change</b>	<b>\$350</b>	<b>\$350</b>	<b>\$350</b>	<b>\$350</b>	<b>\$350</b>	<b>\$350</b>
<b>Description:</b> This measure captures the value added of Manufacturing and Services analysts in interagency policy discussions (e.g., interagency regulatory review). For example, MAS analysts use evaluations of the impact of various regulations on export-dependent U.S. manufacturing and services industries (including indirect upstream and downstream effects) to meet the security, health, environmental, or safety requirements of the regulation at lower cost to the affected industries.						

<b>Performance Goal:</b>	<b>FY</b>	<b>FY</b>	<b>FY</b>	<b>FY</b>	<b>FY</b>	<b>FY</b>
<b>Percent of industry-specific trade barriers that were removed or prevented</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
	<b>Target</b>	<b>Target</b>	<b>Target</b>	<b>Target</b>	<b>Target</b>	<b>Target</b>
<b>With Change</b>	<b>20%</b>	<b>20%</b>	<b>20%</b>	<b>20%</b>	<b>20%</b>	<b>20%</b>
<b>Without Change</b>	<b>20%</b>	<b>20%</b>	<b>20%</b>	<b>20%</b>	<b>20%</b>	<b>20%</b>
<b>Description:</b> This measure quantifies the success of MAS's involvement in removing industry-specific foreign trade barriers. This enables U.S. companies to bring more of their products and services to previously closed foreign markets. This measure captures on a rolling basis the outcome of MAS's efforts to address barriers in foreign markets such as labeling requirements, foreign restrictions on U.S. investment, and spurious foreign standards.						

<b>Performance Goal:</b>	<b>FY</b>	<b>FY</b>	<b>FY</b>	<b>FY</b>	<b>FY</b>	<b>FY</b>
<b>Percent of industry-specific trade barrier milestones completed</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
	<b>Target</b>	<b>Target</b>	<b>Target</b>	<b>Target</b>	<b>Target</b>	<b>Target</b>
<b>With Change</b>	<b>55%</b>	<b>55%</b>	<b>55%</b>	<b>55%</b>	<b>55%</b>	<b>55%</b>
<b>Without Change</b>	<b>55%</b>	<b>55%</b>	<b>55%</b>	<b>55%</b>	<b>55%</b>	<b>55%</b>
<b>Description:</b> This measure reports on the success of ITA to target and remove industry-specific trade barriers. ITA measures its long term outcomes through the removal or prevention of industry specific barriers (See above). Key milestones track annual progress toward removal or elimination of each identified barrier. Barriers have been identified by U.S. industry and assessed by MAS program staff to determine their commercial and strategic value.						

<b>Performance Goal:</b>	<b>FY</b>	<b>FY</b>	<b>FY</b>	<b>FY</b>	<b>FY</b>	<b>FY</b>
<b>Exports generated annually from public/private partnerships (dollars in millions)</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
	<b>Target</b>	<b>Target</b>	<b>Target</b>	<b>Target</b>	<b>Target</b>	<b>Target</b>
<b>With Change</b>	<b>\$86</b>	<b>\$154</b>	<b>\$202</b>	<b>\$250</b>	<b>\$250</b>	<b>\$250</b>
<b>Without Change</b>	<b>\$86</b>	<b>\$86</b>	<b>\$86</b>	<b>\$86</b>	<b>\$86</b>	<b>\$86</b>
<b>Description:</b> The measure represents the dollar value of exports generated by Market Development Cooperator Program (MDCP) project activity. The MDCP is a public/private partnership that provides technical and financial assistance to non-profit organizations like trade associations. The MDCP enhances the competitiveness of U.S. industries by reducing the startup costs of new projects.						

**PROGRAM CHANGE PERSONNEL DETAIL**

(Dollar amount in thousands)

**Activity: Manufacturing and Services**  
**Subactivity: Manufacturing and Services**  
**Program Change: National Export Initiative**

<b>Title:</b>	<b>Location</b>	<b>Grade</b>	<b>Number of Positions</b>	<b>Annual Salary</b>	<b>Total Salaries</b>
International Trade Specialist	Washington, DC	GS-14	2	119,238	238,476
International Trade Specialist	Washington, DC	GS-13	4	100,904	403,616
International Trade Specialist	Washington, DC	GS-12	5	84,855	424,275
International Trade Specialist	Washington, DC	GS-11	8	70,794	566,352
Subtotal			19		1,632,719
Less Lapse	25%		(5)		(408,180)
<b>Total Full-time permanent:</b>			14		1,224,539

**Personnel Data**

Full-time Equivalent Employment  
 Full-time permanent  
 Other than full-time permanent  
**Total**

Number

14  
 0  
 14

Authorized Positions:

Full-time permanent  
 Other than full-time permanent  
**Total**

19  
 0  
 19

**PROGRAM CHANGE PERSONNEL DETAIL**

(Dollar amount in thousands)

**Activity: Manufacturing and Services**

**Subactivity: Manufacturing and Services**

**Program Change: Program Optimization**

<b>Title:</b>	<b>Location</b>	<b>Grade</b>	<b>Number of Positions</b>	<b>Annual Salary</b>	<b>Total Salaries</b>
Supervisory International Trade	Washington, DC	GS-15	(2)	123,758	(247,516)
International Trade Specialist	Washington, DC	GS-14	(4)	105,211	(420,844)
Economist	Washington, DC	GS-14	(1)	105,211	(105,211)
International Trade Specialist	Washington, DC	GS-13	(20)	89,033	(1,780,660)
Economist	Washington, DC	GS-13	(7)	89,033	(623,231)
Market Analyst	Washington, DC	GS-13	(1)	89,033	(89,033)
International Trade Specialist	Washington, DC	GS-12	(2)	74,872	(149,744)
Subtotal			(37)		(3,416,239)
Less Lapse	0%		0		0
<b>Total Full-time permanent:</b>			(37)		(3,416,239)

**Personnel Data**

	Number
Full-Time Equivalent Employment	
Full-time permanent	(37)
Other than full-time permanent	0
<b>Total</b>	(37)

Authorized Positions:

Full-time permanent	(37)
Other than full-time permanent	0
<b>Total</b>	(37)

**PROGRAM CHANGE DETAIL BY OBJECT CLASS**  
**(Dollar amounts in thousands)**

Activity: Manufacturing and Services  
Subactivity: Manufacturing and Services

<b>Object Class</b>	<b>2012 Change</b>
11 Personnel compensation	
11.1 Full-time permanent	(2,191)
11.3 Other than full-time permanent	0
11.5 Other personnel compensation	(68)
11.8 Special personnel services payments	0
11.9 Total personnel compensation	(2,259)
12 Civilian personnel benefits	(665)
13 Benefits for former personnel	(33)
21 Travel and transportation of persons	43
22 Transportation of things	(3)
23.1 Rental payments to GSA	(241)
23.2 Rental Payments to others	0
23.3 Communications, utilities and miscellaneous charges	(47)
24 Printing and reproduction	23
25.1 Advisory and assistance services	0
25.2 Other services	(582)
25.3 Purchases of goods & services from Gov't accounts	72
25.4 Operation and maintenance of facilities	0
25.5 Research and development contracts	0
25.6 Medical care	0
25.7 Operation and maintenance of equipment	0
25.8 Subsistence and support of persons	0
26 Supplies and materials	(31)
31 Equipment	94
32 Lands and structures	0
33 Investments and loans	0
41 Grants, subsidies and contributions	1,422
42 Insurance claims and indemnities	0
43 Interest and dividends	0
44 Refunds	0
99 Total obligations	(2,207)

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**Department of Commerce**  
**International Trade Administration**  
**Operations and Administration**  
**PROGRAM AND PERFORMANCE: DIRECT OBLIGATIONS**  
(Dollar amounts in thousands)

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

DOC Objective	2010 Actual		2011 CR (Annualized)		2012 Base		2012 Estimate		Increase/ (Decrease)
	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	
Provide services to improve the competitiveness of small and medium size firms in manufacturing and service industries	0	0	0	0	0	0	0	0	0
Increase US export value through an emphasis on trade promotion, market access, compliance and interagency collaboration (including support for small and medium enterprises)	111	22,128	112	22,128	112	22,794	116	24,804	4
	100	24,033	98	23,934	98	22,794	102	24,804	4
Vigorously enforce U.S. fair trade laws through impartial investigation of complaints; improved access for U.S. firms and workers; and, strengthened efforts to ensure compliance with Antidumping/Countervailing Duty remedies	115	21,084	114	21,084	114	21,790	132	27,673	18
	102	22,900	106	22,805	106	21,790	117	27,673	11
<b>Total</b>	<b>226</b>	<b>43,212</b>	<b>226</b>	<b>43,212</b>	<b>226</b>	<b>44,584</b>	<b>248</b>	<b>52,477</b>	<b>22</b>
	<b>202</b>	<b>46,933</b>	<b>204</b>	<b>46,739</b>	<b>204</b>	<b>44,584</b>	<b>219</b>	<b>52,477</b>	<b>15</b>

ITA positions in FY 2011 and FY 2012 have been adjusted to match staffing plan and eliminate unfunded/non-essential positions.

**Department of Commerce**  
**International Trade Administration**  
**Operations and Administration**  
**PROGRAM AND PERFORMANCE: REIMBURSABLE OBLIGATIONS**  
(Dollar amounts in thousands)

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

	2010 Actual	2011 CR (Annualized)		2012 Base		2012 Estimate		Increase/ (Decrease)
		Personnel	Amount	Personnel	Amount	Personnel	Amount	
<b>Program</b>								
Provide services to improve the competitiveness of small and medium size firms in manufacturing and service industries	0	0	0	0	0	0	0	0
	FTE/Obl.	0	0	0	0	0	0	0
Increase US export value through an emphasis on trade promotion, market access, compliance and interagency collaboration (including support for small and medium enterprises)	0	186	0	200	0	200	1	191
	FTE/Obl.	0	186	0	200	0	200	1
Vigorously enforce U.S. fair trade laws through impartial investigation of complaints, improved access for U.S. firms and workers, and strengthened efforts to ensure compliance with Antidumping/Countervailing Duty remedies	0	0	0	0	0	0	2	191
	FTE/Obl.	0	0	0	0	0	2	191
<b>Total</b>	<b>0</b>	<b>186</b>	<b>0</b>	<b>200</b>	<b>0</b>	<b>200</b>	<b>3</b>	<b>382</b>
	<b>FTE/Obl.</b>	<b>0</b>	<b>186</b>	<b>0</b>	<b>0</b>	<b>200</b>	<b>3</b>	<b>382</b>

**APPROPRIATION ACCOUNT: OPERATIONS AND ADMINISTRATION****BUDGET ACTIVITY: MARKET ACCESS AND COMPLIANCE**

For FY 2012, ITA requests an increase of \$9,265,000 and 17 FTE from the FY 2010 enacted level for a total of \$52,477,000 and 219 FTE for Market Access and Compliance (MAC).

**BASE JUSTIFICATION FOR FY 2012:**

## Market Access and Compliance Overview

The mission of MAC is to advance U.S. commercial interests by fostering an open global economic environment in which U.S. firms have an equal opportunity to compete, win and to champion American businesses and workers by eliminating foreign barriers to trade, investment and business operations through enforcing trade agreements and promoting global growth.

The President and the Congress have both stressed the importance of ensuring compliance by foreign nations with trade agreements so that U.S. businesses receive the full benefit of negotiated trade agreements. MAC monitors, investigates, and evaluates foreign compliance with more than 270 trade agreements signed by the United States. MAC is an integral part of the U.S. Government's interagency effort to develop and implement market access strategies and to remove foreign trade barriers, and provides the core trade policy support for the Secretary of Commerce and Under Secretary for International Trade.

MAC country experts in the regional units collaborate closely with issue experts (standards, customs, intellectual property rights, etc.) and other ITA specialists to identify and resolve 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 that keep U.S. exports out of foreign markets. Using a variety of tools and techniques from direct bilateral discussion to formal consultative mechanisms, MAC coordinates U.S. Government efforts to implement market access strategies. MAC's units also participate in international trade conferences, events, and missions to assess trade barriers, and develop trade opportunities for U.S. exports through improvements in foreign countries' business environments.

MAC's strategic goals and objectives are:

- Monitor foreign compliance with U.S. non-agricultural trade agreements to ensure that other governments implement and maintain their market access obligations;
- Identify, analyze and overcome foreign barriers to U.S. exports;
- Initiate and resolve market access and compliance investigations on behalf of U.S. industry; and
- Advance market openness and non-discriminatory trade policies in other countries to benefit U.S. exports and investment.
- Collaborate with the U.S. Trade Representative (USTR) and other agencies to negotiate trade agreements and coordinate strategies to overcome trade barriers and enforce agreements once they are implemented;

The MAC (\$52.5 million and 219 FTE) unit consists of four regional offices and the Trade Agreements and Compliance (TAC) unit that are organized into 2 subactivities under the Operations and Administration account:

- Trade Agreements and Compliance
- Regional Market Access and Compliance

### **Significant Adjustments-to-Base (ATBs):**

The FY 2012 ATB request is a net increase of \$1.5 million to fund inflationary adjustments to current programs MAC activities. The increase will provide inflationary increases for overseas local labor increases as well as increased costs for non-labor activities, including service contracts, utilities, field office lease payments, and rent charges from the General Service Administration (GSA). Within the above total is a reduction of \$198 thousand in administrative cost savings identified through the Department's Working Capital Fund (see the Departmental Management Working Capital Fund section for more details).

### **ADMINISTRATIVE COST SAVINGS:**

The Administration is pursuing an aggressive government-wide effort to curb non-essential administrative spending called the Administrative Efficiency Initiative. In order to be good stewards of taxpayer money the Federal Government is improving the efficiency of programs without reducing their effectiveness. As such, the President directed each agency to analyze its administrative costs and identify savings where possible. After reviewing its administrative costs, ITA has identified \$10.0 million in administrative savings through business process reengineering in areas such as acquisition, human capital, IT related items, logistics plans and in general administrative support. Within the above total is a reduction of \$1.4 million in administrative cost savings identified through the Department's Working Capital Fund (see the Departmental Management Working Capital Fund section for more details). The \$10.0 million in administrative savings represents real reductions to ITA's funding level and will help reduce overall spending by the Federal government. Of the \$10.0 million in administrative savings total for ITA, MAC will produce \$446 thousand through reductions described below.

### **SUBACTIVITY: TRADE AGREEMENTS AND COMPLIANCE**

MAC's Trade Compliance Center (TCC), within the Trade Agreements and Compliance (TAC) unit, works in close collaboration with country and regional experts as well as other ITA programs 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 DOC 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 a team of experts is formed to resolve the problem. These teams include MAC's country desk officers, compliance specialists from the TCC, industry experts from Manufacturing and Services (MAS), as well as officers (both foreign and domestic) from the Commercial Service. Teams work to resolve compliance problems without having to resort to lengthy, formal dispute settlement procedures. MAC's staff works cooperatively with the industry experts in MAS if the issue does or potentially could affect an entire industry, and also with appropriate Import Administration (IA) offices when illegal subsidies by foreign governments are suspected. MAC investigates allegations of trade agreement violations and encourages policies by foreign governments to protect intellectual property rights (IPR) for U.S. firms and artists. The unit has improved coordination efforts with other U.S. Government agencies to improve respect for and improvement of IPR protection. When compliance cannot be attained in this informal manner, the TCC works with the USTR Monitoring and

Enforcement Unit to develop effective cases for formal dispute settlement through the World Trade Organization (WTO), North America Free Trade Agreement (NAFTA), or by other means. MAC's specialists contribute to regular reports on possible compliance violations for use by the USTR and other agencies.

Companies are encouraged to use MAC as the U.S. Government assistance source to combat unfair barriers to trade. MAC maintains a trade agreements database on the Internet ([www.export.gov/tcc](http://www.export.gov/tcc)) that explains U.S. trade agreements and enables companies to compare the market access they are receiving with what they should be receiving, allowing them to identify potential violations or failure to implement agreements. Using this website, U.S. businesses can then register complaints regarding market access barriers, thereby initiating an investigation by MAC's specialists.

MAC supports the U.S. Government's trade negotiations by providing the analysis, expertise, and staff support needed to achieve negotiation objectives that will benefit U.S. firms and workers and provide new opportunities to expand U.S. exports of goods and services, protect U.S. investment and IPR. The country and regional experts in MAC provide technical knowledge and detailed country and issue 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 specialists are heavily involved in multi-lateral negotiations, such as the Doha Round of the WTO, and in the wide variety of trade and investment councils, and bilateral investment treaty negotiations. Through participation in trade negotiations, as well as monitoring the implementation of trade agreements, MAC works to obtain enhanced market access for U.S. exporters.

#### **SUBACTIVITY: REGIONAL MARKET ACCESS AND COMPLIANCE**

Capturing the trend in trade policy that has shifted the focus from tariff barriers to non-tariff barriers, MAC's regional units have initiated a variety of public-private programs to promote pro-growth policies in foreign markets and pre-empt potential trade barriers. In many developing markets there is a need for new programs to encourage pro-trade/pro-growth policies and to leverage a wide variety of U.S. Government trade capacity building initiatives to prevent trade barriers or improve market access. In addition, MAC has operated important new programs through government-to-government and public-private dialogues that seek to raise the overall level of U.S. trade. These activities support increasing exports and building a stronger, market-oriented economic system in these areas of the world, which contributes both to U.S. economic goals and global stability. The potential payoff for these programs in terms of barriers prevented is significant.

Under the National Export Initiative, MAC has undertaken a strategic review of priority markets in three categories; Mature, Emerging, and Next-Tier. Mature markets, such as Japan and Germany, are highly developed, well diversified, and consume a large share of U.S. exports. Since the volume is large, even small victories in removing trade barriers can have a significant impact on U.S. exports in high-value goods and services. Emerging markets, such as Brazil, China and India offer both the challenge of persistent barriers to trade as well as opportunities for growth in many key industry sectors. Finally, the Next-Tier markets (Colombia, South Africa, Saudi Arabia, Turkey, Vietnam and Indonesia) is an initiative between the Commerce Department and the State Department to coordinate trade related policy and commercial dialogs in economically developing countries where U.S. firms stand to gain significant access.

MAC helps small and medium-sized enterprises (SMEs) that lack the resources to determine their rights under U.S. trade agreements or resolve other market access barriers. MAC recognizes that

many U.S. firms, especially SMEs, may not be aware 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 representatives continue to pursue an outreach program to U.S. businesses and industry associations across the country, to include working with the Commercial Service's Export Assistance Centers.

In addition, MAC continues to provide extensive trade policy support for the Secretary and Under Secretary in making decisions that affect our bilateral trade relations, in establishing contacts with foreign government officials, and in the development of new country specific assistance programs to ensure a role for expanding U.S. business in economic development programs. MAC, along with other ITA programs, administers DOC participation in the interagency Trade Policy Committee by representing U.S. business interests in the formulation of U.S. trade policy.

#### **PROGRAM CHANGES FOR FY 2012:**

**National Export Initiative (+14 FTE, +\$6,650,000):** ITA is requesting 14 FTE and \$6.7 million to support Market Access and Compliance's contribution to the implementation of the Agency-wide NEI which will expand exports for economic growth and job creation. In addition to the above mentioned 14 FTE, Market Access and Compliance will add the equivalent of 6 Locally Engaged Staff (LES) to its overseas presence.

#### **Statement of Need and Economic Benefits:**

In his 2010 Address, President Obama announced the National Export Initiative (NEI), which set a goal of doubling exports over the next five years, an increase that will support millions of American jobs and lead to long-term, sustainable economic growth for the United States. The President reiterated, in his 2011 State of the Union Address, the critical role of exports in America's economic recovery. ITA's export promotion services and advocacy for open markets directly support the NEI and this budget request is critical to help meet the President's goal.

Exporting is fundamentally a decision driven by our entrepreneurs, workers and farmers. But, businesses attempting to close an export sale today face many hurdles, including lack of readily available information about exporting and market research, challenges obtaining export financing and strong competition from foreign companies and foreign governments. The NEI is the Administration's commitment to serve as a full partner with U.S. businesses to promote American-made goods and services worldwide.

The President signed Executive Order 13534 on March 11, 2010. The U.S. Department of Commerce (DOC) and the ITA are directly responsible for addressing the following priorities highlighted in the Executive Order:

1. Expanding programs designed to enhance exports by small and medium-sized enterprises;
2. Promoting federal resources currently available to assist exports by U.S. companies;
3. Ensuring that U.S. Government led trade missions effectively promote exports by U.S. companies;
4. Ensuring that Commercial Advocacy effectively promotes exports by U.S. companies;
5. Improving market access overseas for our manufacturers, farmers and service providers by actively opening new markets, reducing significant trade barriers, and robustly enforcing our trade agreements;
6. Developing a framework, including policy and export promotion tools, for exports of services.

U.S. industry's ability to export and increase its global market share is the key to long-term success and, most importantly, to sustained economic growth and job creation.

ITA plays a critical role in implementing the President's NEI and ITA's FY 2012 budget request is designed to meet his challenge. ITA's contribution to the President's NEI leverages our infrastructure and programs to focus on key factors that will contribute to domestic job creation. The NEI has the potential to make a significant contribution to economic growth in the U.S. and to stimulate domestic job creation. By increasing the number of U.S. firms that export and enabling them to increase their volume of exports, new higher-wage jobs will be created, and U.S. companies will be better able to compete in the expanding global marketplace.

MAC's primary contribution to the NEI is to further reduce potential foreign barriers to U.S. exports. Each trade barrier represents a financial loss, as well as lost opportunities for American companies to expand their production or service capabilities, hire additional workers, or pursue investment opportunities. Enhancing ITA's domestic and international capacity to identify and address trade barriers in support of U.S. companies is essential to U.S. economic growth and prosperity. Under the NEI, MAC will:

- Increase its country and trade compliance officers to combat non-tariff barriers in customs, standards, and anti-corruption through public-private sector forums where U.S. exporters can identify new and existing trade restrictions and collaborate with the U.S. Government on solutions to overcome these barriers.
- Place officers and locally engaged staff in countries where U.S. firms face persistent market access and trade compliance barriers, such as Brazil, Korea, and Indonesia. The overseas officers are specialized in finding and removing trade barriers, and will generate additional workload in market access cases and interagency collaboration, thus requiring headquarters trade specialists to support policy development and logistics.

**Program Optimization (-4 FTE, -\$753,000):** MAC requests a decrease of \$0.8 million and 4 FTE to support the Administration's deficit reduction goals and to streamline base operations to focus on the NEI. Within the above total is a reduction of \$446 thousand in Administrative Cost Savings.

#### **Proposed Actions:**

MAC will eliminate most non-reimbursable personnel agreements and direct staff currently serving under a non-reimbursable agreement to NEI-specific programs. MAC will also reduce coverage of the Organization for Economic Cooperation and Development (OECD) portfolio.

#### **Base Resource Assessment:**

MAC will continue to focus on its core mission of ensuring that foreign governments honor their commitment under U.S. and international trade agreements and to increase foreign market access for U.S. firms.

#### **Schedule and Milestones:**

The proposed reductions will be executed before the start of the 2012 fiscal year.

#### **Deliverables:**

The reduction of FTE and related budget toward non-reimbursable agreements, and funds allocated to OECD activities.

**Termination of Unrequested Congressional Projects (-\$504,000):** ITA requests a decrease of \$504 thousand to eliminate funding for MAC's share of the \$5.2 million in Congressionally designated spending items identified in House Report 111-366).

**Proposed Actions:**

MAC will continue to focus on its core mission of ensuring that foreign governments honor their commitment under U.S. and international trade agreements and to increase foreign market access for U.S. firms. Termination of earmarks will not affect MAC performance measures.

**Base Resource Assessment:**

As the current 2011 Continuing Resolution is silent on the treatment of earmarks, it is assumed to contain funding for these projects.

**Performance Goals and Measurement Data**

<b>Performance Measure:</b>	<b>FY</b>	<b>FY</b>	<b>FY</b>	<b>FY</b>	<b>FY</b>	<b>FY</b>
<b>Number of market access and trade compliance cases initiated</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
	<b>Target</b>	<b>Target</b>	<b>Target</b>	<b>Target</b>	<b>Target</b>	<b>Target</b>
<b>With Change</b>	<b>210</b>	<b>239</b>	<b>242</b>	<b>242</b>	<b>245</b>	<b>245</b>
<b>Without Change</b>	<b>210</b>	<b>215</b>	<b>215</b>	<b>220</b>	<b>222</b>	<b>222</b>
<b>Description:</b> This measure provides the number trade compliance and market access cases initiated on behalf of specific companies or industries. This measure tends to fluctuate over time.						

<b>Performance Measure:</b>	<b>FY</b>	<b>FY</b>	<b>FY</b>	<b>FY</b>	<b>FY</b>	<b>FY</b>
<b>Number of market access and trade compliance cases resolved</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
	<b>Target</b>	<b>Target</b>	<b>Target</b>	<b>Target</b>	<b>Target</b>	<b>Target</b>
<b>With Change</b>	<b>160</b>	<b>182</b>	<b>185</b>	<b>185</b>	<b>188</b>	<b>188</b>
<b>Without Change</b>	<b>160</b>	<b>162</b>	<b>165</b>	<b>165</b>	<b>167</b>	<b>167</b>
<b>Description:</b> This measure provides the number of market access and trade compliance cases resolved (closed). This measure tends to fluctuate over time as the outcome is dependent on the actions by sovereign nations.						

<b>Performance Measure:</b>	<b>FY</b>	<b>FY</b>	<b>FY</b>	<b>FY</b>	<b>FY</b>	<b>FY</b>
<b>Number of compliance and market access cases resolved successfully</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
	<b>Target</b>	<b>Target</b>	<b>Target</b>	<b>Target</b>	<b>Target</b>	<b>Target</b>
<b>With Change</b>	<b>80</b>	<b>91</b>	<b>93</b>	<b>93</b>	<b>99</b>	<b>99</b>
<b>Without Change</b>	<b>80</b>	<b>81</b>	<b>82</b>	<b>82</b>	<b>83</b>	<b>83</b>
<b>Description:</b> This measure provides the number of successful resolutions to market access and trade compliance cases, usually representing trade barriers removed via casework involving specific companies or industries. This measure tends to fluctuate over time as the outcome is dependent on the actions by sovereign nations.						

**Commercial Law Development Program (CLDP) (+5 FTE, +\$2,500,000):** ITA is requesting 5 FTE and \$2.5 million to provide direct funding and enhance this long-standing reimbursable program. CLDP's technical assistance to developing countries helps create transparent legal systems and fair

regulations that enable those countries to comply with international and bilateral trade obligations and promote rule of law. ITA has requested appropriation language changes to these funds to allow for the payment of travel expenses for foreign officials. Specific information on this request can be found on Page ITA -113.

### **The Commercial Law Development Program**

Since 1992, the Commercial Law Development Program (CLDP) has operated out of the Department of Commerce's (DOC) Office of General Counsel (OGC) as the leading commercial law technical assistance arm of the U.S. Government. Although CLDP has approximately 25 employees, it has not received a direct appropriation and has relied almost exclusively on funding from the State Department and U.S. Agency for International Development (USAID) to conduct programs in approximately 40 countries worldwide. The Administration has elevated CLDP as an equal partner in foreign policy discussions, and the Congress has expressed interest in growing CLDP. The International Trade Administration and Market Access and Compliance, through CLDP, can directly support foreign economic policy goals by working to create transparent legal systems and fair regulations that enable developing countries to comply with international and bilateral trade obligations and level the playing field for U.S. companies to compete.

### **CLDP Improves the Legal Environment for Business Worldwide**

Many developing countries have poor commercial laws, ineffective regulations and poor enforcement mechanisms to facilitate business. These trade barriers cost American exporters billions of dollars each year in lost revenue and significantly undermine U.S. competitiveness and the creation of jobs. Trade barriers come in many forms: onerous licensing requirements, the arbitrary application of standards, the lack of intellectual property protection and enforcement, cumbersome and costly customs procedures, the non-transparent application of commercial law, corrupt and inefficient government procurement, etc. CLDP's unique, government-to-government technical assistance and collaboration with the private sector helps create new policies and procedures in emerging markets that are in line with U.S. Government policies and interests and make meaningful and lasting changes to the legal and business environments of host countries, so that they are more welcoming to U.S. exports and investment. CLDP programs also provide stability and economic growth in failed and failing states. For more information on CLDP, please see [www.cldp.doc.gov](http://www.cldp.doc.gov).

### **Removing Trade Barriers**

This initiative will provide the resources required for CLDP to implement programs that break down trade barriers and create a business platform in foreign markets that facilitates the flow of American goods and services to support the growth of American jobs and investment at home and abroad. In collaboration with MAC, CLDP will develop programs in key countries and regions to break down trade barriers using training programs, targeted technical assistance, regulator-to-regulator and public-private roundtables, and other outreach mechanisms to affect significant change in those markets and build on and support the work of the Trade Promotion Coordinating Committee. CLDP will provide legal expertise across a spectrum of issues for judges, government officials and private sector representatives that include intellectual property protection and enforcement, government procurement laws and procedures, competition policy, ethics, trade remedies, standards, anti-corruption and other issues that affect commercial activity in foreign markets.

## **Performance Measures**

Specific performance measures for each country/region will be developed prior to implementing programs. Rather than looking at numbers of people and offices trained, the program will identify and closely monitor the removal of trade barriers that are inhibiting business as well as the establishment of new laws and regulations that aid business and conduct baseline and follow-up interviews to determine the results of the program for US businesses measuring increased profits, additional hiring and investment opportunities for those markets in the future.

**PROGRAM CHANGE PERSONNEL DETAIL**

(Dollar amount in thousands)

**Activity: Market Access and Compliance**

**Subactivity: Market Access and Compliance**

**Program Change: National Export Initiative**

<b>Title:</b>	<b>Location</b>	<b>Grade</b>	<b>Number of Positions</b>	<b>Annual Salary</b>	<b>Total Salaries</b>
Market Compliance Specialist	Washington, DC	GS-14	3	119,238	357,714
Market Compliance Specialist	Washington, DC	GS-13	6	100,904	605,424
Market Compliance Specialist	Washington, DC	GS-12	3	84,855	254,565
Market Compliance Specialist	Washington, DC	GS-11	1	70,794	70,794
Subtotal			13		1,288,497
Less Lapse	25%		(3)		(322,124)
<b>Total Full-time permanent:</b>			10		966,373
Locally Engaged Staff	Various		8	53,000	424,000
Subtotal			8		424,000
Less Lapse	25%		(2)		(106,000)
Subtotal			6		318,000
2011 Pay Adjustment	1.4%				4,452
2012 Pay Adjustment	2.3%				7,416
Subtotal			6		329,868
Foreign Service Officer	Various	FS-01	1	139,290	139,290
Foreign Service Officer	Various	FS-02	6	112,866	677,196
Foreign Service Officer	Various	FS-03	1	91,454	91,454
Subtotal			8		907,940
Less Lapse	50%		(4)		(453,970)
Subtotal			4		453,970
<b>Total</b>			20		1,750,211

**Personnel Data**

Full-time Equivalent Employment

Full-time permanent

Other than full-time permanent

**Total**

Number

14

0

14

Authorized Positions:

Full-time permanent

Other than full-time permanent

**Total**

21

0

21

**PROGRAM CHANGE PERSONNEL DETAIL**

(Dollar amount in thousands)

**Activity: Market Access and Compliance**

**Subactivity: Market Access and Compliance**

**Program Change: Program Optimization**

<b>Title:</b>	<b>Location</b>	<b>Grade</b>	<b>Number of Positions</b>	<b>Annual Salary</b>	<b>Total Salaries</b>
Market Compliance Specialist	Washington, DC	GS-13	(1)	92,001	(92,001)
Market Compliance Specialist	Washington, DC	GS-12	(2)	74,872	(149,744)
Market Compliance Specialist	Washington, DC	GS-11	(1)	64,548	(64,548)
Subtotal			(4)		(306,293)
Less Lapse	0%		0		0
<b>Total full-time permanent:</b>			(4)		(306,293)

**Personnel Data**

Full-Time Equivalent Employment

Full-time permanent

Other than full-time permanent

**Total**

Number

(4)

0

(4)

Authorized Positions:

Full-time permanent

Other than full-time permanent

**Total**

(4)

0

(4)

**PROGRAM CHANGE PERSONNEL DETAIL**

(Dollar amount in thousands)

**Activity: Market Access and Compliance**

**Subactivity: Market Access and Compliance**

**Program Change: Commercial Law Development Program**

<b>Title:</b>	<b>Location</b>	<b>Grade</b>	<b>Number of Positions</b>	<b>Annual Salary</b>	<b>Total Salaries</b>
Deputy Counsel	Washington, DC	GS-15	1	132,009	132,009
Administrative Officer	Washington, DC	GS-14	1	108,717	108,717
Attorney Program Manager	Washington, DC	GS-13	1	100,904	100,904
Budget and Procurement Specialist	Washington, DC	GS-11	1	68,712	68,712
Administrative Support Staff	Washington, DC	GS-9	1	56,791	56,791
Subtotal			<u>5</u>		<u>467,133</u>
Less Lapse	0%		<u>0</u>		<u>0</u>
<b>Total full-time permanent:</b>			<u>5</u>		<u>467,133</u>

**Personnel Data**

Full-Time Equivalent Employment  
 Full-time permanent  
 Other than full-time permanent  
**Total**

Number

5  
 0  
5

Authorized Positions:

Full-time permanent  
 Other than full-time permanent  
**Total**

5  
 0  
5

**PROGRAM CHANGE DETAIL BY OBJECT CLASS**  
**(Dollar amounts in thousands)**

Activity: Market Access and Compliance  
Subactivity: Market Access and Compliance

<b>Object Class</b>	<b>2012 Change</b>
11 Personnel compensation	
11.1 Full-time permanent	1,911
11.3 Other than full-time permanent	0
11.5 Other personnel compensation	58
11.8 Special personnel services payments	0
11.9 Total personnel compensation	1,969
12 Civilian personnel benefits	660
13 Benefits for former personnel	(31)
21 Travel and transportation of persons	1,632
22 Transportation of things	82
23.1 Rental payments to GSA	238
23.2 Rental Payments to others	100
23.3 Communications, utilities and miscellaneous charges	157
24 Printing and reproduction	85
25.1 Advisory and assistance services	137
25.2 Other services	2,252
25.3 Purchases of goods & services from Gov't accounts	796
25.4 Operation and maintenance of facilities	0
25.5 Research and development contracts	0
25.6 Medical care	0
25.7 Operation and maintenance of equipment	0
25.8 Subsistence and support of persons	0
26 Supplies and materials	34
31 Equipment	280
32 Lands and structures	0
33 Investments and loans	0
41 Grants, subsidies and contributions	(498)
42 Insurance claims and indemnities	0
43 Interest and dividends	0
44 Refunds	0
99 Total obligations	7,893

**Department of Commerce**  
**International Trade Administration**  
**Operations and Administration**  
**PROGRAM AND PERFORMANCE: DIRECT OBLIGATIONS**  
(Dollar amounts in thousands)

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

DOC Objective	2010 Actual	2011 CR (Annualized)		2012 Base		2012 Estimate		Increase/ (Decrease)
		Personnel	Amount	Personnel	Amount	Personnel	Amount	
Provide services to improve the competitiveness of small and medium size firms in manufacturing and service industries	30	27	5,190	27	5,370	27	5,285	0 (85)
	FTE/Obl.	26	5,320	26	5,370	26	5,285	0 (85)
Increase US export value through an emphasis on trade promotion, market access, compliance and interagency collaboration (including support for small and medium enterprises)	13	13	7,984	13	8,067	13	8,028	0 (39)
	FTE/Obl.	12	8,184	12	8,067	12	8,028	0 (39)
Vigorously enforce U.S. fair trade laws through impartial investigation of complaints; improved access for U.S. firms and workers; and, strengthened efforts to ensure compliance with Antidumping/Countervailing Duty remedies	372	303	55,116	303	57,119	310	59,022	7 1,903
	FTE/Obl.	280	56,493	293	57,119	296	59,022	3 1,903
<b>Total</b>	<b>415</b>	<b>343</b>	<b>68,290</b>	<b>343</b>	<b>70,556</b>	<b>350</b>	<b>72,335</b>	<b>7 1,779</b>
	<b>FTE/Obl.</b>	<b>318</b>	<b>69,997</b>	<b>331</b>	<b>70,556</b>	<b>334</b>	<b>72,335</b>	<b>3 1,779</b>

ITA positions in FY 2011 and FY 2012 have been adjusted to match staffing plan and eliminate unfunded/non-essential positions.



**APPROPRIATION ACCOUNT: OPERATIONS AND ADMINISTRATION****BUDGET ACTIVITY: IMPORT ADMINISTRATION**

For FY 2012, ITA requests a net increase of \$4,045,000 and 16 FTE from the FY 2010 enacted level for a total of \$72,335,000 and 334 FTE for Import Administration.

**BASE JUSTIFICATION FOR FY 2012:**

## Import Administration Overview

The mission of Import Administration (IA) is to take prompt and aggressive action against unfair foreign trade practices by enforcing the U.S. trade laws and trade agreements negotiated to address trade-distorting practices.

The IA (\$72.3 million and 334 FTE) unit is organized into 4 subactivities under the Operations and Administration appropriation account:

- The Antidumping (AD) and Countervailing Duty (CVD) Operations subactivity enhances uniformity and consistency in the application of the U.S. trade laws. It conducts AD and CVD investigations, administrative reviews, new shipper reviews, sunset reviews, changed circumstances reviews, and scope and anti-circumvention inquiries within statutory and/or regulatory time limits. The unit also works closely with U.S. Customs and Border Protection (CBP), the Department of Justice (DOJ), and other agencies to identify and counter evasion of AD and CVD duties.
- The AD/CVD Policy and Negotiations subactivity oversees a variety of programs and policies regarding the administration of the AD/CVD laws. This includes: 1) policy support for AD/CVD cases; 2) the negotiation and administration of all suspension agreements and other bilateral agreements related to AD/CVD cases; 3) analysis and support of cost accounting and financial analysis matters in AD/CVD cases; 4) negotiation of trade remedy disciplines in the ongoing World Trade Organization (WTO) Rules negotiations and in other trade negotiations, such as FTA negotiations; 5) involvement in broader policy and enforcement issues regarding unfair trade matters, including unfair subsidies; and 6) preserving and improving access to export markets for U.S. companies facing foreign AD, CVD and safeguard investigations.
- The Textiles and Apparel subactivity administers and enforces agreements and preference programs concerning textile, apparel, footwear and travel goods industries and works to ensure fair trade and a level playing field for these industries to enhance their competitiveness in international markets. Additionally, the subactivity has an active export promotion program that assists small- and medium-sized U.S. textile and apparel firms develop and expand their export markets helping job retention and creation in this and related sectors.
- The Foreign Trade Zones (FTZ) Program subactivity serves as the operational arm of the FTZ Board, an interagency body chaired by the Secretary of Commerce, and helps to encourage activity and value-added at U.S. facilities in competition with foreign alternatives by allowing delayed or reduced duty payments on foreign merchandise, as well as other savings.

### **Significant Adjustments-to-Base (ATBs):**

The FY 2012 ATB request is a net increase of 0 FTE and \$2.3 million to fund inflationary adjustments to current programs for IA activities. The increase will provide inflationary increases for overseas local labor increases as well as increased costs for non-labor activities, including service contracts, utilities, field office lease payments, and rent charges from the General Service Administration (GSA). Within the above total is a reduction of \$646 thousand in administrative cost savings identified through the Department's Working Capital Fund (see the Departmental Management Working Capital Fund section for more details).

### **ADMINISTRATIVE COST SAVINGS:**

The Administration is pursuing an aggressive government-wide effort to curb non-essential administrative spending called the Administrative Efficiency Initiative. In order to be good stewards of taxpayer money the Federal Government is improving the efficiency of programs without reducing their effectiveness. As such, the President directed each agency to analyze its administrative costs and identify savings where possible. After reviewing its administrative costs, ITA has identified \$10.0 million in administrative savings through business process reengineering in areas such as acquisition, human capital, IT related items, logistics plans and in general administrative support. Within the above total is a reduction of \$1.4 million in administrative cost savings identified through the Department's Working Capital Fund (see the Departmental Management Working Capital Fund section for more details). The \$10.0 million in administrative savings represents real reductions to ITA's funding level and will help reduce overall spending by the Federal government. Of the \$10.0 million in administrative savings total for ITA, IA will produce \$0.3 million through reductions described in the program change section.

### **SUBACTIVITY: AD/CVD OPERATIONS**

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 and a U.S. industry is materially injured, or threatened with material injury, by such imports.<sup>1</sup> 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, sent to the relevant foreign governments and/or industry, requesting 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 site 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 the U.S. industry and the foreign industry and government.

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<sup>1</sup>IA must initiate an investigation when it receives a properly filed petition that satisfies the initiation requirements. IA does not control the number of petitions filed by domestic industries or workers.

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 as important as investigations because they determine the actual duties owed by importers resulting in a level playing field for our domestic industries. In recent years, the number of reviews has also increased, as has their complexity. Further, IA routinely receives significantly more company-specific requests for review than its available resources permit it to examine. Nevertheless, in the coming years, various factors may result in the need to include more companies in administrative reviews, thus leading to an overall increase in workload.

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, or dispute settlement panels of the North American Free Trade Agreement (NAFTA) and/or the WTO, IA’s staff provides extensive support to the Chief Counsel for IA, DOJ and/or the Office of the United States Trade Representative (USTR) for the legal defense of the determination. 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 the payment of 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 by analyzing information and documents provided during administrative reviews and at on-site audits. AD/CVD Operations, through its Customs and Border Protection (CBP) Liaison Unit, cooperates with CBP, DOJ, and other agencies to identify and address fraudulent activity. IA’s efforts have resulted in such importers being subject to fines, felony indictments, and imprisonment.

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 obtain their own AD and CVD rates;
- Conducting five-year sunset reviews of AD/CVD orders;
- Conducting scope and anticircumvention inquiries as well as changed circumstance reviews to ensure adequate enforcement of AD/CVD orders 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; and
- Playing an integral role with USTR and other agencies in monitoring and ensuring the enforcement of the 2006 Softwood Lumber Agreement (SLA).

IA continues to enhance uniformity and consistency in the application of the U.S. trade laws, a goal made more challenging by the recent increase in workload with respect to AD/CVD proceedings (including both investigations and reviews). In FY 2010, IA initiated 17 new investigations, including 13 involving products from China (seven AD and six CVD). Further, in FY 2010, IA issued 290

preliminary or final AD and CVD determinations in both initial investigations as well as administrative reviews of existing AD and CVD order, including the very first CVD investigation against imports from Vietnam. (In FYs 2009, 2008 and 2007, IA initiated 23, 35 and 28 new investigations, respectively). Note that while the number of new investigations has fluctuated over the past several years, the average number of AD/CVD determinations (both preliminary and final, including all investigations and reviews) issued during this period was approximately 340 per fiscal year.

Of the 303 statutory cases in FY 2010, 66 involved cases handled by the China/Non Market Economy (China/NME) unit. This unit is dedicated to the enforcement of the AD law with respect to China and other NME countries. This unit continues to experience an increase in workload as trade cases involving China grow in number and complexity. In addition, this unit enables IA to consolidate and cultivate the expertise necessary to address the unique trade problems associated with conducting AD proceedings involving NME countries, such as irregular financial reporting, fraudulent filings, opaque company relations, and close ties to local and provincial governments.

The AD/CVD Operations unit has dedicated significantly more resources, both human and fiscal, to the conduct of CVD investigations involving China. Of the seven CVD investigations initiated in FY 2010, six involved China and covered such diverse products as aluminum extrusions, seamless pipe, and coated paper. Each required the analysis and verification of numerous and complex subsidy programs administered by the Chinese national, provincial and local governments such as preferential financing under the government's Five-Year Plans, the government's provision of goods for less than adequate remuneration, and numerous tax incentives.

## **SUBACTIVITY: AD/CVD POLICY AND NEGOTIATIONS**

Major program activities within Policy and Negotiations include:

### **Policy Support for AD/CVD Cases**

The Office of Policy's (OP) role is to ensure the consistent application of policies and procedures in AD/CVD proceedings, while ensuring that broader policy objectives and statutory and international obligations are respected. OP strives to achieve consistency by reviewing case determinations, and by developing new policies for major or emerging issues. OP is responsible for analyzing and informing IA 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.

### **Subsidies Enforcement**

The primary role of IA's Subsidies Enforcement Office (SEO) is to confront unfair foreign government subsidization and unfair trade practices by providing monitoring, analysis, counseling and advocacy services to U.S. parties harmed by such trade-distorting practices. Section 281 of the Uruguay Round Agreements Act, as further clarified in the Statement of Administrative Action accompanying the Act, stipulates the following SEO responsibilities: (1) coordinate U.S. CVD 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 U.S. law; and (3) submit an annual report to Congress on its subsidy monitoring and enforcement activities. The SEO identifies and/or evaluates on average over 600 unfair trade practices each fiscal year, of which approximately 300 relate to China. SEO staff is also well placed to help the agency provide focused, comprehensive and effective analysis of trade remedies and subsidies policies as they relate to energy and climate matters as the United States and its trading partners seek to understand and manage the increasing convergence of these policy areas. This

reflects the Administration's goal to make trade policy a more integral part of the solution for addressing international environmental challenges. Another key component of the SEO's work, in close cooperation with USTR, is to coordinate the U.S. Government's (USG) efforts in foreign CVD investigations brought against U.S. exports. SEO experts work closely with all relevant federal, state and local government agencies that administer alleged U.S. subsidy programs to ensure that U.S. interests are well defended in these government-to-government proceedings. A key component of the National Export Initiative (NEI), pending Congressional approval, is its focus on trade compliance and enforcement. In support of this effort, SEO is taking steps to enhance its subsidies monitoring and analysis activities, as well as intervention, as appropriate, regarding foreign subsidy programs.

### **WTO Trade Remedies**

OP works actively to advance U.S. interests in the rules negotiations of the WTO's Doha Development Agenda by supporting strong, effective, and transparent trade remedy disciplines that address injurious dumping and unfair subsidization in the marketplace. OP'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, OP participates in the WTO AD committee, subsidies committee, safeguards committee and any other committee that could affect U.S. trade remedy interests. In addition to ensuring that other members of the WTO adhere to their obligations under the Antidumping and Subsidies Agreements, a key goal in participating in these committees is to closely monitor China's compliance with its WTO accession protocol, which includes reviewing China's AD and subsidies practices through mechanisms such as the annual transitional review. OP also assists countries in meeting WTO obligations through technical assistance. To facilitate transparency and fulfill the United States' obligations under Article 16.4 of the Antidumping Agreement and Article 25.11 of the Subsidies Agreement, OP compiles and reports to the WTO bi-weekly all U.S. preliminary and final AD and CVD actions and, on a semi-annual basis, OP submits a summary of all U.S. AD/CVD actions taken in the preceding six months. All of these efforts are greatly enhanced by a senior IA official permanently stationed in Geneva, Switzerland, who works directly with the USTR and WTO staff on the ground to advance U.S. priorities in this area.

### **Trade Negotiations**

OP is actively involved in trade negotiations to ensure the effectiveness of U.S. trade remedy laws and strong subsidies disciplines. Further, OP closely monitors trade negotiations in areas such as competition policy, 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**

OP's Trade Remedy Compliance Staff (TRCS) tracks other countries' use of trade remedies, including AD/CVD and safeguard laws, and provides assistance to U.S. companies facing potential harm to export markets due to problems arising from such activities. These efforts are led by a team of technical experts in Washington, D.C., and two IA officers stationed in Beijing, China. The team coordinates closely with other agencies of the USG and the business community in an effort to identify and resolve problems before they develop into trade disputes. TRCS works with many U.S. companies experiencing difficulties with other countries' trade remedy actions, including engaging the foreign governments when circumstances warrant and, if necessary, assisting the USTR in addressing such problems at the WTO. A key facet of the TRCS, as with the SEO, 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. trade remedy proceedings. The NEI helps IA to increase its trade remedy compliance presence overseas, thereby enhancing IA's ability to support U.S.

exporters facing foreign trade remedy actions and improving access to foreign markets for U.S. exports.

### **Bilateral Agreements**

The Bilateral Agreements Unit has the responsibility for the negotiation and administration of AD and CVD suspension agreements and other bilateral agreements. The unit's technical experts ensure the effective monitoring of compliance with the agreements as well as consistency across agreements. This unit administers various existing suspension agreements with Russia, Ukraine, Mexico, and Argentina, covering products such as steel, ammonium nitrate, uranium, tomatoes and lemon juice. Administering these agreements includes such responsibilities as calculating export limits and reference prices, monitoring compliance with export limits, and calculating normal values, or "minimum prices," for signatory producers/exporters. The unit also conducts the five-year sunset reviews of these suspension agreements and any requested administrative reviews.

### **Petition Counseling**

IA continues to expand its outreach efforts to industries and workers harmed by unfair foreign 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. Petition counseling staff meets with U.S. companies and industries that express an interest in filing an AD or CVD petition, provides materials to assist such companies/industries in drafting a petition, reviews draft petitions, and maintains a website and hotline geared toward educating the public about the trade remedy laws. In FY2009 and FY2010, 422 initial and follow-up petition counseling sessions were conducted with a wide variety of firms, including numerous small and medium-sized businesses. As discussed earlier, a key component of the NEI is its focus on trade compliance and enforcement. As part of that initiative, IA will work to enhance its efforts to provide counsel and guidance to companies that may be injured by unfairly traded imports.

### **Steel Import Monitoring and Analysis**

The Steel Import Monitoring and Analysis (SIMA) system is a web-based steel import licensing and monitoring program that provides both government officials and the public with the earliest accurate information regarding steel imports. It covers imports of all basic steel mill products. More than 3 million import licenses have been issued by IA's web-based system since its inception in March 2003. The SIMA group has also developed a web-based NAFTA steel monitoring system as part of the North American Steel Trade Committee's Steel Strategy.

### **Office of Accounting**

The Office of Accounting is responsible for ensuring that IA uses 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. The office performs all investigative aspects of casework, including on-site verifications related to the cost of production and the constructed value aspects of AD and CVD investigations, administrative reviews and suspension agreements. The complexities of these issues require expert knowledge in both U.S. and foreign accounting practices. The office also provides litigation support to the DOC Office of the Chief Counsel for Import Administration. 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 activities of IA.

## **SUBACTIVITY: TEXTILES AND APPAREL**

In support of the goals of the President's NEI, IA's Office of Textiles and Apparel administers and enforces agreements and preference programs concerning the textile, apparel, footwear and travel

goods industries and works to ensure fair trade and a level playing field for these industries to enhance their competitiveness in international markets. The office 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 helping job retention and creation in this and related sectors. The export promotion program is an important component of the President's NEI, providing U.S. companies with reliable and comprehensive exporting information and advice, and affordable end-to-end international business solutions. In FY 2010, the staff generated more than 1,500 trade leads for U.S. textile and apparel firms resulting in projected sales of \$8 million. Business matchmaking efforts since 2008 have resulted in sales of nearly \$35 million by several small textile firms to buyers in the Middle East, Morocco, and Russia. The staff works closely with USTR in negotiating bilateral and multilateral trade agreements affecting these industries, providing key technical support for textiles and apparel chapters in each FTA; seeking and evaluating industry views on international trade issues affecting these industries; and formulating textile policy positions on proposed trade agreements and legislative initiatives. In addition, the office administers provisions of U.S. trade agreement and preference programs, such as commercial availability provisions, wool fabric and cotton shirt fabric tariff rate quotas, Earned Import Allowance certificate programs, handloom/folklore designations, and other provisions. It also chairs the interagency Committee for the Implementation of Textile Agreements (CITA), which sets policy on textile safeguard actions, actions against illegal transshipment, and other related issues. The staff works closely with other IA and ITA personnel responsible for subsidies and intellectual property right matters, concerning China and other countries to ensure coordinated and well-supported responses to issues affecting textile, apparel, footwear, travel goods, and leather trade. These activities and responsibilities also support the President's Trade Policy Agenda goals for transparency in trade policy, building on existing free trade agreements, upholding the U.S. commitment to be a strong partner to developing countries, and addressing unresolved trade issues that lead to trade frictions.

#### **SUBACTIVITY: FOREIGN-TRADE ZONES PROGRAM**

IA administers the Foreign-Trade Zones (FTZ) Program. The FTZ program helps encourage activity and value-added at U.S. facilities in competition with foreign alternatives by allowing delayed or reduced import duty payments on foreign merchandise, as well as other savings. Through the FTZ program, a company may be able to reduce operating costs at U.S. facilities, thus helping to level the playing field and improve U.S. competitiveness. FTZs assist businesses in reducing production, transaction, and logistics-related costs by lowering effective duty rates, allowing special entry procedures, and encouraging activity closer to market. Reducing costs through FTZ use can lead to more competitive U.S. operations, thereby helping to maintain U.S. activity and jobs. The FTZ program thus supports the NEI by facilitating exports and better enabling U.S. firms with domestic operations to compete internationally.

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 under the FTZ Act of 1934 (19 USC 81) and the Board's regulations (15 CFR 400). The FTZ Board licenses public or public type corporations to administer zones on a local level. Private corporations generally operate the zones under agreement with licensees. Each zone must publish a rate schedule and provide equal access to all companies seeking to use the zone. States and local communities use zones as an element of their economic development efforts. As of the end of FY 2009, there were 253 zones and over 500 sub-zones in the United States employing over 300,000 persons. The volume of exports leaving U.S. foreign-trade zones exceeded \$28 billion in FY 2009. In 2010, the FTZ staff succeeded in reducing the average application processing time by nearly a month, despite a notable increase in the number of cases docketed. Reduced application

processing time provides companies with faster access to the FTZ program, further supporting the competitiveness of U.S. operations.

The formal applications approved for FY 2010 included one for a new zone project, 33 for the expansion or reorganization of existing zones, 16 for new subzones, and eight for manufacturing authority within existing zones and subzones. In reviewing new manufacturing in zones and subzones 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. In addition to analyzing applications, the FTZ staff monitors ongoing FTZ activity for compliance with applicable scope and FTZ Board grant restrictions. The FTZ staff is also involved in outreach to local communities to enhance awareness and understanding of the FTZ program as a tool in local economic development.

## **PROGRAM CHANGES FOR FY 2012:**

**National Export Initiative (+5 FTE, \$3,120,000):** ITA is requesting 5 FTE and \$3.1 million to support Import Administration's contribution to the implementation of the Agency-wide NEI which will expand exports for economic growth and job creation.

### **Statement of Need and Economic Benefits:**

In his 2010 Address, President Obama announced the National Export Initiative (NEI), which set a goal of doubling exports over the next five years, an increase that will support millions of American jobs and lead to long-term, sustainable economic growth for the United States. The President reiterated, in his 2011 State of the Union Address, the critical role of exports in America's economic recovery. ITA's export promotion services and advocacy for open markets directly support the NEI and this budget request is critical to help meet the President's goal.

Exporting is fundamentally a decision driven by our entrepreneurs, workers and farmers. But, businesses attempting to close an export sale today face many hurdles, including lack of readily available information about exporting and market research, challenges obtaining export financing and strong competition from foreign companies and foreign governments. The NEI is the Administration's commitment to serve as a full partner with U.S. businesses to promote American-made goods and services worldwide.

The President signed Executive Order 13534 on March 11, 2010. The U.S. Department of Commerce (DOC) and the ITA are directly responsible for addressing the following priorities highlighted in the Executive Order:

1. Expanding programs designed to enhance exports by small and medium-sized enterprises;
2. Promoting federal resources currently available to assist exports by U.S. companies;
3. Ensuring that U.S. Government led trade missions effectively promote exports by U.S. companies;
4. Ensuring that Commercial Advocacy effectively promotes exports by U.S. companies;
5. Improving market access overseas for our manufacturers, farmers and service providers by actively opening new markets, reducing significant trade barriers, and robustly enforcing our trade agreements;
6. Developing a framework, including policy and export promotion tools, for exports of services.

U.S. industry's ability to export and increase its global market share is the key to long-term success and, most importantly, to sustained economic growth and job creation.

ITA plays a critical role in implementing the President's NEI and ITA's FY 2012 budget request is designed to meet his challenge. ITA's contribution to the President's NEI leverages our infrastructure and programs to focus on key factors that will contribute to domestic job creation. The NEI has the potential to make a significant contribution to economic growth in the U.S. and to stimulate domestic job creation. By increasing the number of U.S. firms that export and enabling them to increase their volume of exports, new higher-wage jobs will be created, and U.S. companies will be better able to compete in the expanding global marketplace. Through the NEI, IA would:

- Increase trade compliance attaches overseas to support U.S. exporters who are experiencing impediments from unfair trade (AD/CVD) cases brought against them.
- Recruit Washington-based specialists to provide the necessary policy guidance and analytical input to overseas staff to optimize support for U.S. exporters.

**Program Optimization (-2 FTE and -\$544,000):** ITA requests a decrease of \$0.5 million and 2 FTE for a total IA program of \$72.3 and 334 FTE, to support the Administration's deficit reduction goals and to streamline base operations to focus on advancing the implementation of the Agency-wide NEI which will expand exports for economic growth and job creation. Within the above total is a reduction of \$0.3 million in Administrative Cost Savings.

The NEI has the potential to make a significant contribution to economic growth in the U.S. and to stimulate domestic job creation. By increasing the number of U.S. firms that export and enabling them to increase their volume of exports, new higher-wage jobs will be created, and U.S. companies will be better able to compete in the expanding global marketplace.

#### **Proposed Actions:**

ITA has evaluated IA's operations and staffing and proposes to eliminate lower priority work in favor of supporting NEI-related activities. As part of this request, ITA is reviewing certain administrative activities assigned to IA that do not directly support subsidies and trade law enforcement.

#### **Base Resource Assessment:**

Termination of these administrative activities will free up staff members' time to focus exclusively on subsidies and trade law enforcement. Congressional action and approval will be sought prior to final action regarding these programs. There are no other known implementation costs to IA other than the costs resulting from this termination.

#### **Schedule and Milestones:**

The proposed reductions will be executed before the start of the 2012 fiscal year.

**Termination of Unrequested Congressional Projects (-\$797,000):** ITA requests a decrease of \$797 thousand to eliminate funding for IA's share of the \$5.2 million in Congressionally designated spending items identified in House Report 111-366.

**Proposed Actions:**

The Antidumping (AD) and Countervailing Duty (CVD) Operations subactivity enhances uniformity and consistency in the application of the U.S. trade laws. It conducts AD and CVD investigations, administrative reviews, new shipper reviews, sunset reviews, changed circumstances reviews, and scope and anti-circumvention inquiries within statutory and/or regulatory time limits. The unit also works closely with U.S. Customs and Border Protection (CBP), the Department of Justice (DOJ), and other agencies to identify and counter evasion of AD and CVD duties.

IA's mission is to take prompt and aggressive action against unfair foreign trade practices by enforcing the U.S. trade laws and trade agreements negotiated to address trade-distorting practices. Termination of earmarks will not affect IA performance measures.

**Base Resource Assessment:**

As the current 2011 Continuing Resolution is silent on the treatment of earmarks, it is assumed to contain funding for these projects.

<b>Performance Measure:</b>	<b>FY</b>	<b>FY</b>	<b>FY</b>	<b>FY</b>	<b>FY</b>	<b>FY</b>
<b>Percent of AD/CVD determinations issued within statutory and/or regulatory deadlines</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
	<b>Target</b>	<b>Target</b>	<b>Target</b>	<b>Target</b>	<b>Target</b>	<b>Target</b>
<b>With Change</b>	<b>90%</b>	<b>90%</b>	<b>90%</b>	<b>90%</b>	<b>90%</b>	<b>90%</b>
<b>Without Change</b>	<b>90%</b>	<b>90%</b>	<b>90%</b>	<b>90%</b>	<b>90%</b>	<b>90%</b>
<b>Description:</b> This measure tracks the percentage of case determinations issued within statutory and/or regulatory deadlines. For example, unless extended in accordance with the statute, the preliminary determinations in countervailing duty (CVD) and antidumping duty (AD) investigations must be issued within 65 days and 140 days, respectively, after the initiation of an investigation. Again, unless extended in accordance with the statute, the final determination in both CVD and AD investigations must be issued within 75 days of the preliminary determination. Meeting deadlines helps reach the program's goal of quickly responding to trading activity that does not conform to U.S. law.						
<b>Performance Measure:</b>	<b>FY</b>	<b>FY</b>	<b>FY</b>	<b>FY</b>	<b>FY</b>	<b>FY</b>
<b>Percent of ministerial errors in IA's dumping and subsidy calculations</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
	<b>Target</b>	<b>Target</b>	<b>Target</b>	<b>Target</b>	<b>Target</b>	<b>Target</b>
<b>With Change</b>	<b>&lt;9%</b>	<b>&lt;9%</b>	<b>&lt;9%</b>	<b>&lt;9%</b>	<b>&lt;9%</b>	<b>&lt;9%</b>
<b>Without Change</b>	<b>&lt;9%</b>	<b>&lt;9%</b>	<b>&lt;9%</b>	<b>&lt;9%</b>	<b>&lt;9%</b>	<b>&lt;9%</b>
<b>Description:</b> This measure reports on IA's efforts to minimize/eliminate ministerial errors committed in the calculation of dumping margins and subsidy rates. Ministerial errors are technical mistakes in the calculation of duties placed on foreign firms. The importing public relies on accurate margins in order to estimate the amount of duties they may be responsible for and to make well-informed business decisions. Foreign exporters rely on accurate margins in order to adjust their business practices to eliminate dumping. U.S. producers require accurate margins in order to make business decisions and remain competitive.						
<b>Performance Measure:</b>	<b>FY</b>	<b>FY</b>	<b>FY</b>	<b>FY</b>	<b>FY</b>	<b>FY</b>
<b>Percent of instructions sent to U.S. CBP on a timely basis</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
	<b>Target</b>	<b>Target</b>	<b>Target</b>	<b>Target</b>	<b>Target</b>	<b>Target</b>
<b>With Change</b>	<b>88%</b>	<b>88%</b>	<b>88%</b>	<b>88%</b>	<b>88%</b>	<b>88%</b>
<b>Without Change</b>	<b>88%</b>	<b>88%</b>	<b>88%</b>	<b>88%</b>	<b>88%</b>	<b>88%</b>
<b>Description:</b> This measure captures IA efficiency in issuing cash deposit instructions to Customs and Border Protection (CBP) in order to implement, or make changes to, the amount of AD/CVD duties collected. AD/CVD duties (and the associated cash deposits) are paid by importers and serve as a remedy to offset merchandise that was found to be unfairly subsidized or sold at less than normal value.						
<b>Performance Measure:</b>	<b>FY</b>	<b>FY</b>	<b>FY</b>	<b>FY</b>	<b>FY</b>	<b>FY</b>
<b>Percent of AD/CVD petition counseling of SMEs</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
	<b>Target</b>	<b>Target</b>	<b>Target</b>	<b>Target</b>	<b>Target</b>	<b>Target</b>
<b>With Change</b>	<b>50%</b>	<b>50%</b>	<b>50%</b>	<b>50%</b>	<b>50%</b>	<b>50%</b>
<b>Without Change</b>	<b>50%</b>	<b>50%</b>	<b>50%</b>	<b>50%</b>	<b>50%</b>	<b>50%</b>
<b>Description:</b> This measure captures IA counseling assistance to U.S. small and medium-sized enterprises (SMEs) and their workers, including counseling resulting from contacts initiated by SMEs or their workers and IA outreach to SMEs. Such counseling improves SME's understanding of and access to the U.S. unfair trade laws dealing with injurious dumping and foreign government subsidies that can impede the competitiveness of U.S. companies and workers.						

<b>Performance Measure:</b>	<b>FY</b>	<b>FY</b>	<b>FY</b>	<b>FY</b>	<b>FY</b>	<b>FY</b>
<b>Number of continued AD/CVD petition counseling sessions</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
	<b>Target</b>	<b>Target</b>	<b>Target</b>	<b>Target</b>	<b>Target</b>	<b>Target</b>
<b>With Change</b>	<b>125</b>	<b>125</b>	<b>125</b>	<b>125</b>	<b>125</b>	<b>125</b>
<b>Without Change</b>	<b>125</b>	<b>125</b>	<b>125</b>	<b>125</b>	<b>125</b>	<b>125</b>
<b>Description:</b> This measure captures IA's ongoing counseling assistance to U.S. companies and workers through follow-up contacts, including ongoing counseling resulting from contacts initiated by U.S. companies or workers and IA outreach. Through continued counseling, IA engages potential petitioners in more in-depth conversations about the information required to file a petition requesting the initiation of an investigation and guides them in compiling the required information.						
<b>Performance Measure:</b>	<b>FY</b>	<b>FY</b>	<b>FY</b>	<b>FY</b>	<b>FY</b>	<b>FY</b>
<b>Percentage of FTZ Board authorizations completed in advance of regulatory timeframes</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
	<b>Target</b>	<b>Target</b>	<b>Target</b>	<b>Target</b>	<b>Target</b>	<b>Target</b>
<b>With Change</b>	<b>90%</b>	<b>90%</b>	<b>90%</b>	<b>90%</b>	<b>90%</b>	<b>90%</b>
<b>Without Change</b>	<b>90%</b>	<b>90%</b>	<b>90%</b>	<b>90%</b>	<b>90%</b>	<b>90%</b>
<b>Description:</b> This measure captures the ability of the Foreign Trade Zones (FTZs) staff to respond to the trade community and assess new applications, which expand the physical boundary or scope of manufacturing activity occurring within approved zones space. FTZs can provide customs and logistical savings to help encourage activity in the U.S. in competition with facilities abroad.						
<b>Performance Measure:</b>	<b>FY</b>	<b>FY</b>	<b>FY</b>	<b>FY</b>	<b>FY</b>	<b>FY</b>
<b>Number of potential unfair trade practices identified and/or under evaluation</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
	<b>Target</b>	<b>Target</b>	<b>Target</b>	<b>Target</b>	<b>Target</b>	<b>Target</b>
<b>With Change</b>	<b>450</b>	<b>500</b>	<b>500</b>	<b>500</b>	<b>500</b>	<b>500</b>
<b>Without Change</b>	<b>450</b>	<b>500</b>	<b>500</b>	<b>500</b>	<b>500</b>	<b>500</b>
<b>Description:</b> This measure tracks the efforts of IA's Subsidies Enforcement Office to identify and research foreign unfair trade practices (UTPs) around the globe that impose barriers to trade and competition injuring the interests of U.S. manufacturers, exporters and workers in the U.S. and international markets. Some key venues for identifying and researching UTPs include the internet, economic and trade publications, foreign press, and WTO subsidies notifications. This monitoring and analysis function provides critical data regarding foreign trade distorting practices that have the potential of limiting the overall competitiveness of U.S. manufacturers, workers and exporters, as well as their access to foreign markets. With this data, IA has the solid background to pursue, as appropriate, enforcement activities.						

<b>Performance Measure:</b>	<b>FY</b>	<b>FY</b>	<b>FY</b>	<b>FY</b>	<b>FY</b>	<b>FY</b>
<b>Percent of identified unfair trade practices (UTPs) affecting U.S. parties addressed through informal/formal intervention or dispute settlement</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
	<b>Target</b>	<b>Target</b>	<b>Target</b>	<b>Target</b>	<b>Target</b>	<b>Target</b>
<b>With Change</b>	<b>20%</b>	<b>30%</b>	<b>35%</b>	<b>35%</b>	<b>35%</b>	<b>35%</b>
<b>Without Change</b>	<b>20%</b>	<b>20%</b>	<b>20%</b>	<b>20%</b>	<b>20%</b>	<b>20%</b>

**Description:** This measure tracks IA efforts in addressing through informal/formal intervention or dispute settlement UTPs that impose barriers to trade and competition injuring the interests of U.S. manufacturers, workers and exporters in the U.S. and international markets addressed through bilateral, World Trade Organization (WTO) or other multilateral consultations or negotiations. Some key venues in the WTO for addressing UTPs include the Subsidies Committee, the Trade Policy Reviews, and Accession negotiations – the scheduling for which is determined by the WTO Secretariat. UTPs are also often addressed through bilateral discussions that take place on the margins of these more formal meetings. Under this measure, IA confronts and addresses foreign trade distortive practices and policies that impact the competitiveness of U.S. products at home and abroad.

<b>Performance Measure:</b>	<b>FY</b>	<b>FY</b>	<b>FY</b>	<b>FY</b>	<b>FY</b>	<b>FY</b>
<b>Number of new AD/CVD petitioners counseled</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
	<b>Target</b>	<b>Target</b>	<b>Target</b>	<b>Target</b>	<b>Target</b>	<b>Target</b>
<b>With Change</b>	<b>50</b>	<b>50</b>	<b>50</b>	<b>50</b>	<b>50</b>	<b>50</b>
<b>Without Change</b>	<b>50</b>	<b>50</b>	<b>50</b>	<b>50</b>	<b>50</b>	<b>50</b>

**Description:** This measure captures IA first-time counseling assistance to U.S. companies and workers, including counseling resulting from contacts initiated by U.S. companies or workers and IA outreach. Such counseling improves U.S. companies' understanding of and access to the U.S. unfair trade laws dealing with dumping and foreign government subsidies.

<b>Performance Measure:</b>	<b>FY</b>	<b>FY</b>	<b>FY</b>	<b>FY</b>	<b>FY</b>	<b>FY</b>
<b>Percent of initial questionnaire responses submitted on time in foreign CVD proceedings involving U.S. exports</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
	<b>Target</b>	<b>Target</b>	<b>Target</b>	<b>Target</b>	<b>Target</b>	<b>Target</b>
<b>With Change</b>	<b>New</b>	<b>90%</b>	<b>90%</b>	<b>90%</b>	<b>90%</b>	<b>90%</b>
<b>Without Change</b>	<b>New</b>	<b>90%</b>	<b>90%</b>	<b>90%</b>	<b>90%</b>	<b>90%</b>

**Description:** This measure reflects the USG's involvement as a direct respondent in foreign CVD cases against U.S. exports. While IA has no control over the number of foreign CVD cases brought against the U.S. and, therefore, has no control over the number or timing of initial questionnaire responses required in a given period, IA's subsidies experts work closely with USTR to coordinate, review and submit these questionnaire responses within the deadlines set by the foreign CVD authorities. Failure to submit questionnaires in a timely manner can result in a foreign administering authority's adverse decision against a U.S. exported product, resulting in substantially increased duties and the potential inability to ship product to key markets. Therefore, IA's efforts under this measure represent a critical component of U.S. competitiveness in the global marketplace.

<b>Performance Measure:</b>	<b>FY</b>	<b>FY</b>	<b>FY</b>	<b>FY</b>	<b>FY</b>	<b>FY</b>
<b>Number of technical exchanges and bilateral contacts pursued to improve foreign transparency and impartial treatment</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
	<b>Target</b>	<b>Target</b>	<b>Target</b>	<b>Target</b>	<b>Target</b>	<b>Target</b>
<b>With Change</b>	<b>55</b>	<b>55</b>	<b>55</b>	<b>55</b>	<b>55</b>	<b>55</b>
<b>Without Change</b>	<b>55</b>	<b>55</b>	<b>55</b>	<b>55</b>	<b>55</b>	<b>55</b>
<b>Description:</b> This measure quantifies the frequency of IA efforts to promote transparency and impartial treatment in foreign trade remedy regimes through bilateral or multilateral discussion, typically in a seminar-style setting, in which IA officials participate with foreign government trade remedy administrators to share information of each other's trade remedy procedures, practice, and policy. IA's efforts under this measure serve to increase the likelihood that U.S. exporters subject to foreign trade remedy actions will be subject to a fair and open process, thus increasing their opportunities to ship to important markets unburdened by excessive or unfairly-applied duties.						
<b>Performance Measure:</b>	<b>FY</b>	<b>FY</b>	<b>FY</b>	<b>FY</b>	<b>FY</b>	<b>FY</b>
<b>Number of new-to-market textile and apparel firms</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
	<b>Target</b>	<b>Target</b>	<b>Target</b>	<b>Target</b>	<b>Target</b>	<b>Target</b>
<b>With Change</b>	<b>35</b>	<b>35</b>	<b>35</b>	<b>35</b>	<b>35</b>	<b>35</b>
<b>Without Change</b>	<b>35</b>	<b>35</b>	<b>35</b>	<b>35</b>	<b>35</b>	<b>35</b>
<b>Description:</b> This measure gauges IA's ability to identify and assists new-to-market U.S. textile and apparel companies with export sales. IA informs and recruits companies, mainly small and medium-sized enterprises, at various trade events and through match-making activities to expand their exports to additional export markets, to increase sales and support employment.						
<b>Performance Measure:</b>	<b>FY</b>	<b>FY</b>	<b>FY</b>	<b>FY</b>	<b>FY</b>	<b>FY</b>
<b>Number of new-to-export textile and apparel firms</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
	<b>Target</b>	<b>Target</b>	<b>Target</b>	<b>Target</b>	<b>Target</b>	<b>Target</b>
<b>With Change</b>	<b>10</b>	<b>10</b>	<b>10</b>	<b>10</b>	<b>10</b>	<b>10</b>
<b>Without Change</b>	<b>10</b>	<b>10</b>	<b>10</b>	<b>10</b>	<b>10</b>	<b>10</b>
<b>Description:</b> This measure gauges IA's ability to identify and assist new-to-export U.S. textile and apparel companies with export sales. IA informs and recruits companies, mainly small and medium-sized enterprises, at various trade events and through match-making activities to increase their sales and support U.S. employment through exporting.						
<b>Performance Measure:</b>	<b>FY</b>	<b>FY</b>	<b>FY</b>	<b>FY</b>	<b>FY</b>	<b>FY</b>
<b>Percent reduction in trade distorting foreign subsidy program</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
	<b>Target</b>	<b>Target</b>	<b>Target</b>	<b>Target</b>	<b>Target</b>	<b>Target</b>
<b>With Change</b>	<b>&gt;1.5%</b>	<b>&gt;2%</b>	<b>&gt;3%</b>	<b>&gt;3%</b>	<b>&gt;3%</b>	<b>&gt;3%</b>
<b>Without Change</b>	<b>&gt;1.5%</b>	<b>&gt;2%</b>	<b>&gt;3%</b>	<b>&gt;3%</b>	<b>&gt;3%</b>	<b>&gt;3%</b>
<b>Description:</b> This measure tracks IA's efforts to bring about the reduction or elimination of unfair trade practices through informal contacts, negotiation, formal intervention or remedies such as dispute settlement provided under WTO agreements or U.S. law. These efforts can encompass a variety of types of subsidies programs, such as loans, grants, tax incentives and the government provision of goods and services. Prompting a foreign government to remove or eliminate a subsidy program is generally a difficult and time-consuming endeavor that often takes months or years, and is ultimately at the discretion of the foreign government. When such distortions are eliminated, however, this helps to level the playing field for U.S. manufacturers, workers and exporters so that their products are more competitive at home and abroad.						

<b>Performance Measure:</b>	<b>FY</b>	<b>FY</b>	<b>FY</b>	<b>FY</b>	<b>FY</b>	<b>FY</b>
<b>Percent of Import Administration AD and CVD decisions overturned by U.S. courts</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
	<b>Target</b>	<b>Target</b>	<b>Target</b>	<b>Target</b>	<b>Target</b>	<b>Target</b>
<b>With Change</b>	<b>&lt;2%</b>	<b>&lt;2%</b>	<b>&lt;2%</b>	<b>&lt;2%</b>	<b>&lt;2%</b>	<b>&lt;2%</b>
<b>Without Change</b>	<b>&lt;2%</b>	<b>&lt;2%</b>	<b>&lt;2%</b>	<b>&lt;2%</b>	<b>&lt;2%</b>	<b>&lt;2%</b>
<b>Description:</b> This measure promotes accurate AD/CVD decisions. The measure shows the percentage of decisions that were overturned when challenged in U.S. courts.						
<b>Performance Measure:</b>	<b>FY</b>	<b>FY</b>	<b>FY</b>	<b>FY</b>	<b>FY</b>	<b>FY</b>
<b>Number of steel trade and industry analyses produced, drawn in part from steel import monitoring (SIMA) data</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
	<b>Target</b>	<b>Target</b>	<b>Target</b>	<b>Target</b>	<b>Target</b>	<b>Target</b>
<b>With Change</b>	<b>12</b>	<b>12</b>	<b>12</b>	<b>12</b>	<b>12</b>	<b>12</b>
<b>Without Change</b>	<b>12</b>	<b>12</b>	<b>12</b>	<b>12</b>	<b>12</b>	<b>12</b>
<b>Description:</b> This measure provides both government officials and the public with the earliest accurate information regarding steel imports and is drawn in part from the Steel Import Monitoring and Analysis (SIMA) web-based system. With this information, U.S. businesses are able to make better informed and more expeditious decisions about the market. This information also provides a firm foundation for bilateral discussions with trading partners on market developments in this very volatile sector, thus setting the stage for a reduction in trade frictions.						
<b>Performance Measure:</b>	<b>FY</b>	<b>FY</b>	<b>FY</b>	<b>FY</b>	<b>FY</b>	<b>FY</b>
<b>Percent of identified foreign trade remedy proceedings affecting and of interest to U.S. parties that are addressed through informal/formal intervention or dispute settlement</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
	<b>Target</b>	<b>Target</b>	<b>Target</b>	<b>Target</b>	<b>Target</b>	<b>Target</b>
<b>With Change</b>	<b>90%</b>	<b>90%</b>	<b>90%</b>	<b>90%</b>	<b>90%</b>	<b>90%</b>
<b>Without Change</b>	<b>90%</b>	<b>90%</b>	<b>90%</b>	<b>90%</b>	<b>90%</b>	<b>90%</b>
<b>Description:</b> This measure reports on the IA's success of addressing identified issues such as administrative actions undertaken by foreign governments including but not limited to countervailing measures, AD proceedings and safeguard proceedings against U.S. interests. The misuse of trade remedy actions by foreign administering authorities can limit or eliminate entirely market opportunities for U.S. exports. IA's advocacy under this measure helps to ensure that U.S. companies are given fair treatment under trade remedy laws and international agreements.						
<b>Performance Measure:</b>	<b>FY</b>	<b>FY</b>	<b>FY</b>	<b>FY</b>	<b>FY</b>	<b>FY</b>
<b>Percent of identified market access and trade compliance issues for U.S. textile firms resolved.</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
	<b>Target</b>	<b>Target</b>	<b>Target</b>	<b>Target</b>	<b>Target</b>	<b>Target</b>
<b>With Change</b>	<b>70%</b>	<b>70%</b>	<b>70%</b>	<b>70%</b>	<b>70%</b>	<b>70%</b>
<b>Without Change</b>	<b>70%</b>	<b>70%</b>	<b>70%</b>	<b>70%</b>	<b>70%</b>	<b>70%</b>
<b>Description:</b> This measure reports on the success of IA to target and remove textile and apparel industry-specific barriers. Resolution of market access and trade compliance issues opens up foreign markets to U.S. exports.						

<b>Performance Measure:</b>	<b>FY</b>	<b>FY</b>	<b>FY</b>	<b>FY</b>	<b>FY</b>	<b>FY</b>
<b>Dollar value of textile sales generated (\$ in millions)</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
	<b>Target</b>	<b>Target</b>	<b>Target</b>	<b>Target</b>	<b>Target</b>	<b>Target</b>
<b>With Change</b>	<b>\$35</b>	<b>\$35</b>	<b>\$35</b>	<b>\$35</b>	<b>\$35</b>	<b>\$35</b>
<b>Without Change</b>	<b>\$35</b>	<b>\$35</b>	<b>\$35</b>	<b>\$35</b>	<b>\$35</b>	<b>\$35</b>
<b>Description:</b> This measure highlights IA's ability to assist U.S. textile and apparel companies with export sales. IA calculates the dollar value of immediate and projected export sales through the participation of companies in international trade shows and match-making activities coordinated by IA.						
<b>Performance Measure:</b>	<b>FY</b>	<b>FY</b>	<b>FY</b>	<b>FY</b>	<b>FY</b>	<b>FY</b>
<b>Number of textile events/seminars planned/supported</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
	<b>Target</b>	<b>Target</b>	<b>Target</b>	<b>Target</b>	<b>Target</b>	<b>Target</b>
<b>With Change</b>	<b>50</b>	<b>50</b>	<b>50</b>	<b>50</b>	<b>50</b>	<b>50</b>
<b>Without Change</b>	<b>50</b>	<b>50</b>	<b>50</b>	<b>50</b>	<b>50</b>	<b>50</b>
<b>Description:</b> This measure gauges IA's efforts to broaden and deepen U.S. textile and apparel exporter base. IA organizes and participates in many activities, such as trade shows, meetings with the private sector, seminars, webinars, and export counseling sessions, to inform the public about export opportunities and trade issues affecting the industry.						
<b>Performance Measure:</b>	<b>FY</b>	<b>FY</b>	<b>FY</b>	<b>FY</b>	<b>FY</b>	<b>FY</b>
<b>Percent of wool/cotton shirting tariff rate quota licenses issued on time</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
	<b>Target</b>	<b>Target</b>	<b>Target</b>	<b>Target</b>	<b>Target</b>	<b>Target</b>
<b>With Change</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
<b>Without Change</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
<b>Description:</b> This measure captures IA's ability to administer wool/cotton shirting tariff rate quota licenses within statutory deadlines. These licenses help U.S. companies obtain preferential duty rates on inputs into their domestic manufacturing, supporting U.S. jobs.						
<b>Performance Measure:</b>	<b>FY</b>	<b>FY</b>	<b>FY</b>	<b>FY</b>	<b>FY</b>	<b>FY</b>
<b>Percent of commercial availability cases processed within statutory deadlines</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
	<b>Target</b>	<b>Target</b>	<b>Target</b>	<b>Target</b>	<b>Target</b>	<b>Target</b>
<b>With Change</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
<b>Without Change</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
<b>Description:</b> This measure gauges IA's ability to administer the commercial availability provisions under various trade agreements in accordance with the applicable statutory and regulatory requirements in a timely manner, as a member of the inter-agency Committee for the Implementation of Textile Agreements (CITA). U.S. companies can obtain duty preferences on inputs into their manufacturing supply chain, helping to maintain costs.						

<b>Performance Measure:</b>	<b>FY</b>	<b>FY</b>	<b>FY</b>	<b>FY</b>	<b>FY</b>	<b>FY</b>
<b>Percent of applications for duty-free treatment of scientific instruments processed in 60 days.</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
	<b>Target</b>	<b>Target</b>	<b>Target</b>	<b>Target</b>	<b>Target</b>	<b>Target</b>
<b>With Change</b>	<b>70%</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Without Change</b>	<b>70%</b>	<b>70%</b>	<b>70%</b>	<b>70%</b>	<b>70%</b>	<b>70%</b>
<b>Description:</b> This measure enhances the free flow of scientific instruments and educational materials in a timely manner, which facilitates scientific research and education.						
<b>Performance Measure:</b>	<b>FY</b>	<b>FY</b>	<b>FY</b>	<b>FY</b>	<b>FY</b>	<b>FY</b>
<b>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</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
	<b>Target</b>	<b>Target</b>	<b>Target</b>	<b>Target</b>	<b>Target</b>	<b>Target</b>
<b>With Change</b>	<b>100%</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Without Change</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
<b>Description:</b> The intent of this measure is to ensure that all licenses and certificates are issued in adherence to statutory and regulatory deadlines thus helping the economies of the U.S. insular possessions create jobs and maintain light manufacturing jobs on the islands.						
<b>Performance Measure:</b>	<b>FY</b>	<b>FY</b>	<b>FY</b>	<b>FY</b>	<b>FY</b>	<b>FY</b>
<b>Number of duty-free applications processed</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
	<b>Target</b>	<b>Target</b>	<b>Target</b>	<b>Target</b>	<b>Target</b>	<b>Target</b>
<b>With Change</b>	<b>63</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Without Change</b>	<b>63</b>	<b>63</b>	<b>63</b>	<b>63</b>	<b>63</b>	<b>63</b>
<b>Description:</b> This measure enhances the free flow of scientific instruments and educational materials in a timely manner and also facilitates scientific research and education.						
<b>Performance Measure:</b>	<b>FY</b>	<b>FY</b>	<b>FY</b>	<b>FY</b>	<b>FY</b>	<b>FY</b>
<b>Percent of supplemental questionnaire responses submitted on time in foreign CVD proceedings involving U.S. exports</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
	<b>Target</b>	<b>Target</b>	<b>Target</b>	<b>Target</b>	<b>Target</b>	<b>Target</b>
<b>With Change</b>	<b>New</b>	<b>80%</b>	<b>82%</b>	<b>84%</b>	<b>86%</b>	<b>88%</b>
<b>Without Change</b>	<b>New</b>	<b>80%</b>	<b>82%</b>	<b>84%</b>	<b>86%</b>	<b>88%</b>
<b>Description:</b> This measure reflects the USG's involvement as a direct respondent in foreign CVD cases against U.S. exports. While IA has no control over the number of foreign CVD cases brought against the U.S., and, therefore, has no control over the number or timing of supplemental questionnaire responses required within a given period, IA's subsidies experts work closely with USTR to coordinate, review and submit these supplemental questionnaire responses within the deadlines set by the foreign CVD authorities. Failure to submit supplemental questionnaires in a timely manner can result in a foreign trade authority's adverse decision against a U.S. exported product, resulting in substantially increased duties and the potential inability to ship product to key markets. Therefore, IA's efforts under this measure represent a critical component of U.S. competitiveness in the global marketplace.						

<b>Performance Measure:</b>	<b>FY</b>	<b>FY</b>	<b>FY</b>	<b>FY</b>	<b>FY</b>	<b>FY</b>
<b>Number of trade negotiations led and/or supported by IA</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
	<b>Target</b>	<b>Target</b>	<b>Target</b>	<b>Target</b>	<b>Target</b>	<b>Target</b>
<b>With Change</b>	<b>22</b>	<b>22</b>	<b>22</b>	<b>22</b>	<b>22</b>	<b>22</b>
<b>Without Change</b>	<b>22</b>	<b>22</b>	<b>22</b>	<b>22</b>	<b>22</b>	<b>22</b>
<p><b>Description:</b> This measure quantifies IA activities with respect to negotiations on trade issues. Strong disciplines under the trade laws is a priority for U.S. trade policy in order to ensure that U.S. manufacturers, workers and exporters have the opportunity to grow and expand their business on a level playing field. This critical function captures the many forums where the IA either leads, or provides much-valued support to USTR, in negotiating and/or advocating for strong trade remedies, fortified market mechanisms, and unfettered transparency and due process. With active participation in the WTO Doha Round (where IA leads the AD Rules negotiations), WTO, OECD, FTA negotiations, JCCT and other high-profile dialogues, IA's efforts under this measure are key to preserving a healthy and thriving trade environment for U.S. products.</p>						

**PROGRAM CHANGE PERSONNEL DETAIL**

(Dollar amount in thousands)

**Activity: Import Administration**  
**Subactivity: Import Administration**  
**Program Change: National Export Initiative**

<b>Title:</b>	<b>Location</b>	<b>Grade</b>	<b>Number of Positions</b>	<b>Annual Salary</b>	<b>Total Salaries</b>
Senior Import Policy Analyst	Washington, DC	GS-14	2	119,238	238,476
Import Policy Analyst	Washington, DC	GS-13	2	100,904	201,808
Subtotal			4		440,284
Less Lapse	25%		(1)		(110,071)
<b>Total Full-time permanent:</b>			3		330,213
Locally Engaged Staff	Various		3	53,000	159,000
Subtotal			3		159,000
Less Lapse	50%		(2)		(79,500)
Subtotal			1		79,500
2011 Pay Adjustment	1.4%				1,113
2012 Pay Adjustment	2.3%				1,854
<b>Subtotal</b>					82,467
Foreign Service Officer	Various	FS-01	2	139,290	278,580
Foreign Service Officer	Various	FS-02	3	112,866	338,598
Subtotal			5		617,178
Less Lapse	50%		(3)		(308,589)
<b>Subtotal</b>			2		308,589
<b>Total</b>					721,269
<b>Personnel Data</b>			Number		
Full-time Equivalent Employment					
Full-time permanent			5		
Other than full-time permanent			0		
<b>Total</b>			5		
Authorized Positions:					
Full-time permanent			9		
Other than full-time permanent			0		
<b>Total</b>			9		

**PROGRAM CHANGE PERSONNEL DETAIL**

(Dollar amount in thousands)

**Activity: Import Administration**  
**Subactivity Import Administration**  
**Program Change: Program Optimization**

<b>Title:</b>	<b>Location</b>	<b>Grade</b>	<b>Number of Positions</b>	<b>Annual Salary</b>	<b>Total Salaries</b>
Import Policy Analyst	Washington,DC	GS-11	(1)	62,467	(62,467)
Import Policy Analyst	Washington,DC	GS-9	(1)	51,630	(51,630)
Subtotal			(2)		(114,097)
less Lapse			0		0
<b>Total full-time permanent:</b>	0%		(2)		(114,097)
2011 Pay Adjustment (0.0%)					0
2012 Pay Adjustment (0.0%)					0
<b>Total</b>					<b>(114,097)</b>

**Personnel Data**

	Number
Full-Time Equivalent Employment	
Full-time permanent	(2)
Other than full-time permanent	0
<b>Total</b>	<b>(2)</b>
Authorized Positions:	
Full-time permanent	(2)
Other than full-time permanent	0
<b>Total</b>	<b>(2)</b>

**PROGRAM CHANGE DETAIL BY OBJECT CLASS**  
**(Dollar amounts in thousands)**

Activity: Import Administration  
Subactivity: Import Administration

<b>Object Class</b>	<b>2012 Change</b>
11 Personnel compensation	
11.1 Full-time permanent	607
11.3 Other than full-time permanent	0
11.5 Other personnel compensation	55
11.8 Special personnel services payments	0
11.9 Total personnel compensation	662
12 Civilian personnel benefits	229
13 Benefits for former personnel	(53)
21 Travel and transportation of persons	308
22 Transportation of things	51
23.1 Rental payments to GSA	10
23.2 Rental Payments to others	87
23.3 Communications, utilities and miscellaneous charges	50
24 Printing and reproduction	15
25.1 Advisory and assistance services	0
25.2 Other services	765
25.3 Purchases of goods & services from Gov't accounts	327
25.4 Operation and maintenance of facilities	0
25.5 Research and development contracts	0
25.6 Medical care	0
25.7 Operation and maintenance of equipment	0
25.8 Subsistence and support of persons	0
26 Supplies and materials	0
31 Equipment	122
32 Lands and structures	0
33 Investments and loans	0
41 Grants, subsidies and contributions	(794)
42 Insurance claims and indemnities	0
43 Interest and dividends	0
44 Refunds	0
99 Total obligations	1,779

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**Department of Commerce**  
**International Trade Administration**  
**Operations and Administration**  
**PROGRAM AND PERFORMANCE: DIRECT OBLIGATIONS**  
(Dollar amounts in thousands)

Activity: Subactivity:	International Trade Administration Trade Promotion and U.S. & Foreign Commercial Service	2010		2011		2012		2012		Increase/ (Decrease)	
		Actual		CR (Annualized)		Base		Estimate			
		Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount		
<b>DOC Objective</b>											
Provide services to improve the competitiveness of small and medium size firms in manufacturing and service industries	Pos./BA FTE/Obl.	14 12	3,025 3,080	14 13	3,025 3,039	14 13	3,138 3,138	41 34	15,122 15,122	27 21	11,984 11,984
Increase US export value through an emphasis on trade promotion, market access, compliance and interagency collaboration (including support for small and medium enterprises)	Pos./BA FTE/Obl.	1,104 953	250,796 255,344	1,104 1,000	250,796 251,984	1,104 1,000	259,550 259,550	1,179 1,048	293,900 293,900	75 48	34,350 34,350
Vigorously enforce U.S. fair trade laws through impartial investigation of complaints; improved access for U.S. firms and workers; and, strengthened efforts to ensure compliance with Antidumping/Countervailing Duty remedies	Pos./BA FTE/Obl.	31 27	4,617 4,701	31 28	4,617 4,639	31 28	4,864 4,864	30 27	4,532 4,532	(1) (1)	(332) (332)
<b>Total</b>	Pos./BA FTE/Obl.	<b>1,149 992</b>	<b>258,438 263,125</b>	<b>1,149 1,041</b>	<b>258,438 259,662</b>	<b>1,149 1,041</b>	<b>267,552 267,552</b>	<b>1,250 1,109</b>	<b>313,554 313,554</b>	<b>101 68</b>	<b>46,002 46,002</b>

ITA positions in FY 2011 and FY 2012 have been adjusted to match staffing plan and eliminate unfunded/non-essential positions.

**Department of Commerce**  
**International Trade Administration**  
**Operations and Administration**  
**PROGRAM AND PERFORMANCE: REIMBURSABLE OBLIGATIONS**  
(Dollar amounts in thousands)

Activity: Subactivity:	Program	2010 Actual	2011 CR (Annualized)		2012 Base		2012 Estimate		Increase/ (Decrease)
			Personnel	Amount	Personnel	Amount	Personnel	Amount	
International Trade Administration									
Trade Promotion and U.S. & Foreign Commercial Service									
	Provide services to improve the competitiveness of small and medium size firms in manufacturing and service industries	0	0	0	0	0	0	0	0
	FTE/Obl.	0	0	0	0	0	0	0	0
	Increase US export value through an emphasis on trade promotion, market access, compliance and interagency collaboration (including support for small and medium enterprises)	16	18,004	16	19,038	16	19,038	18	19,304
	FTE/Obl.	23	18,004	16	19,038	16	19,038	18	19,304
	Vigorously enforce U.S. fair trade laws through impartial investigation of complaints, improved access for U.S. firms and workers, and strengthened efforts to ensure compliance with Antidumping/Countervailing Duty remedies	0	0	0	0	0	0	0	0
	FTE/Obl.	0	0	0	0	0	0	0	0
<b>Total</b>		<b>16</b>	<b>18,004</b>	<b>16</b>	<b>19,038</b>	<b>16</b>	<b>19,038</b>	<b>18</b>	<b>19,304</b>
		<b>23</b>	<b>18,004</b>	<b>16</b>	<b>19,038</b>	<b>16</b>	<b>19,038</b>	<b>18</b>	<b>19,304</b>
	Pos./BA								2
	FTE/Obl.								2

**APPROPRIATION ACCOUNT: OPERATIONS AND ADMINISTRATION****BUDGET ACTIVITY: TRADE PROMOTION AND THE U.S. AND FOREIGN COMMERCIAL SERVICE**

For FY 2012, ITA requests an increase of \$55,116,000 and 117 FTE from the FY2010 enacted level for a total of \$313,554,000 and 1,109 FTE for Trade Promotion and the U.S. and Foreign Commercial Service (Commercial Service).

**BASE JUSTIFICATION FOR FY 2012:**

The mission of the Commercial Service is to strengthen American competitiveness and job creation by promoting U.S. exports, primarily by small and medium-sized businesses and advancing U.S. Commercial interests overseas. The centerpiece of the Commercial Service's focus is growing exports as a means to spur economic growth and job creation. In this environment, ensuring a steady rate of growth in exports can positively impact domestic job creation. The Commercial Service, with its network of trade specialists across the United States, and commercial experts in more than 75 countries around the world is ideally positioned to play a pivotal role in helping U.S. firms become more globally competitive, in breaking down the barriers to trade, and in facilitating the expansion of exports by U.S. firms.

With consumer spending and business investment continuing to face headwinds, it is critical that U.S. companies, particularly SMEs, consider exporting their goods and services to the 95 percent of consumers who live outside of the United States. Although the vast majority of U.S. exporters are SMEs, they account for less than one-third of the total value in exports. Furthermore, SMEs face substantial market risks since a majority of those exporting, trade with only one foreign country. The Commercial Service works to mitigate these risks by promoting exports by SMEs generally, and assisting SMEs to enter new markets.

**Key Commercial Service products and services include:**

- *Counseling* assists U.S. companies to understand foreign markets and 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 and private trade promotion assistance;
- *Market Intelligence*, which includes alerts about export opportunities created through international trade agreements and negotiations, and industry and market-specific research;
- *Matchmaking*, which includes identifying and introducing qualified U.S. overseas agents, distributors, and other partners with end users at market-sensitive international trade events; and business forums;
- *Interagency Coordination*, which includes assessing advocacy requests, providing overseas government-to-government advocacy, and supporting other trade-related agencies (e.g. Department of State, United State Trade Representative, Export-Import Bank, Overseas Private Investment Corporation, and the Trade Development Agency);
- *Advocacy for Major Projects*, which includes identifying overseas projects and procurement opportunities, alerting U.S. firms to these opportunities, and advocating on behalf of U.S. firms bidding on projects;
- *Finance*, which includes working with trade-finance agencies to help U.S. companies successfully bid on major projects, and

- *Compliance and Trade Barriers*, which includes working with ITA's compliance offices and other U.S.G. agencies to identify and resolve barriers affecting U.S. companies, especially small and medium-sized businesses and ensuring overseas compliance with trade laws and regulations.

The Commercial Service (\$313.6 million and 1,109 FTE) unit is organized into 5 subactivities under the Operations and Administration appropriation account:

- International Operations
- Domestic Operations
- Advocacy Center
- Trade Promotion Coordinating Committee
- Invest in America

**Significant Adjustments-to-Base (ATBs):**

The FY 2012 ATB request includes a net increase of \$9.1 million to fund inflationary adjustments to current Commercial Service activities. The increase will provide inflationary increases for overseas local labor increases as well as increased costs for non-labor activities, including service contracts, utilities, field office lease payments, and rent charges from the General Service Administration (GSA). Within the above total is a reduction of \$254 thousand in administrative cost savings identified through the Department's Working Capital Fund (see the Departmental Management Working Capital Fund section for more details).

**ADMINISTRATIVE COST SAVINGS:**

The Administration is pursuing an aggressive government-wide effort to curb non-essential administrative spending called the Administrative Efficiency Initiative. In order to be good stewards of taxpayer money the Federal Government should continue to seek ways to improve the efficiency of programs without reducing their effectiveness. As such, the President directed each agency to analyze its administrative costs and identify savings where possible. After reviewing its administrative costs, ITA has identified \$10.0 million in administrative savings through business process reengineering in areas such as acquisition, human capital, IT related items, logistics plans and in general administrative support. Within the above total is a reduction of \$1.4 million in administrative cost savings identified through the Department's Working Capital Fund (see the Departmental Management Working Capital Fund section for more details). The \$10.0 million in administrative savings identified above represent real reductions to ITA's funding level and will help reduce overall spending by the Federal government. Of the \$10.0 million in administrative savings total for ITA, the Commercial Services will produce \$6.1 million through reductions described below.

**SUBACTIVITY: INTERNATIONAL OPERATIONS**

Commercial Service manages a network of 126 offices around the world staffed by Commercial Service Officers and local trade specialists who are uniquely qualified to identify opportunities for U.S. exports, counsel companies on the best strategies to succeed in these markets and defend U.S. commercial interests in the face of local government and private sector actions. These Commercial Service Officers and local trade specialists work very closely with their U.S. based counterparts throughout the U.S. as well as the other ITA, Commerce and U.S. Government agencies with trade and investment programs. Commercial Service Officers and

staff at Embassies and overseas Consulates identify and reduce barriers to U.S. exports and improve the business environment for U.S. companies operating abroad. The Commercial Service leverages an extensive network of contacts in foreign governments and private sector organizations to eliminate impediments facing individual exporters as well as to affect broader international regulatory and trade policy issues. To accomplish its commercial diplomacy mission, the Commercial Service works closely with the ITA Market Access and Compliance Unit and a wide variety of U.S. Government trade policy agencies.

The Commercial Service assists companies in identifying target markets for entry or expansion and develop effective strategies to enter those markets. This includes promotional support and representation at trade shows and fairs, trade events, product launches, and technical seminars. Advocacy is an integral part of these activities, providing critical official support for U.S. companies bidding on government contracts in overseas markets.

SBA and ITA regularly collaborate to assist SMEs, with CS focusing its resources on assisting New to Market (NTM) firms expand to new overseas markets, and referring New to Export (NTE) firms to SBA for follow-up. Recently ITA launched a new client intake process, located on export.gov, which collects standard information from all prospective clients, and separates NTMs from NTEs so that the proper agency (ITA or SBA) can be identified for follow-up.”

## **SUBACTIVITY: DOMESTIC OPERATIONS**

The Commercial Service’s domestic operations include both a network of 110 U.S. Export Assistance Centers (USEACs) across the country, and a core set of trade promotion programs based in Commercial Service headquarters in Washington, D.C. Together, both the USEAC network and the trade promotion programs cooperate in implementing trade promotion activities on behalf of U.S. exporters.

The USEACs are staffed by more than 270 international trade specialists and foreign service officers on domestic tours. This group is ITA’s frontline outreach and service operation to U.S. companies. Through its USEAC network, Commercial Service counsels U.S. companies in their local communities on how to most effectively and efficiently move their products and services to markets around the world. This counseling includes

- helping companies develop and execute their international sales strategies;
- providing companies with market research and trade leads;
- logistical and financial guidance to identify target markets;
- assisting companies to locate qualified agents or distributors;
- conducting partner due diligence;
- arranging matchmaking meetings; and
- ultimately liaising with Commercial Service’s overseas network in over 75 countries on delivering in-country customized export solutions.

The headquarters-based Trade Promotions Programs are staffed by 55 international trade specialists delivering a core set of services, including:

- recruiting trade missions of U.S. companies to priority overseas markets;
- bringing foreign buyers to major U.S. trade shows;
- increasing the U.S. company presence at major overseas trade shows and introducing these companies to buyers at these shows;

- responding to U.S. company inquiries on exporting by managing the 1-800-USA-TRADE call center;
- generating timely trade information for Export.Gov; and
- providing marketing services to the Commercial Service and the TPCC agencies.

Together, the USEAC network and Trade Promotions Programs are focused on expanding exports. Through partnerships with local and state trade organizations, non-profit associations, and District Export Councils, as well as co-locations with the Export-Import Bank and the Small Business Administration at many USEACs, the domestic network is well positioned to further assist U.S. exporters across the country on the full range of export promotion services, including access to export financing.

In particular, the Commercial Service is targeting trade promotion services to U.S. exporters who are shipping to only one market. Since 58 percent of U.S. exporters ship to only one market, there is considerable potential for increased U.S. exports if these companies begin considering selling their goods and services to additional markets. Through market research, matchmaking, and counseling, Commercial Service helps lower the fixed costs many exporters face when moving to additional markets.

Commercial Service is working with its strategic partners to locate such “new-to-market” clients. Commercial Service began establishing strategic partnerships with the private sector in FY 2003, which now include FedEx, Google, eBay, PNC Bank, UPS, M&T Bank, City National Bank, Comerica Bank, TD Bank, Zions Bank, Baker & McKenzie, and the U.S. Postal Service. Under the New Market Exporter Initiative, Commercial Service has teamed up specifically with FedEx, UPS, and the U.S. Postal Service as they target their clients who are shipping to only one market to direct them to local USEACs. This is one example of how these partnerships allow the Commercial Service to leverage the resources and expertise of its partners to promote the benefits of exporting

#### **SUBACTIVITY: ADVOCACY CENTER**

The Commercial Service’s Trade Advocacy Center coordinates U.S. Government (USG) resources and authority in order to level the playing field on behalf of U.S. business interests as they compete against foreign firms for specific international contracts or other U.S. export opportunities. In doing so, the Advocacy Center helps create and retain U.S. jobs through exports and is an essential element in the success of Commercial Service initiatives. Commercial Service overseas staff provide counseling to companies on advocacy, perform and coordinate advocacy overseas and provide key market intelligence that guides national interest determinations and advocacy campaigns. Commercial Service domestic staff provide outreach to clients on advocacy services, counsel companies on advocacy services available and provide information about companies that support national interest determinations.

Advocacy services include:

- Assessing advocacy requests, including formulating national interest determinations;
- Providing and facilitating government-to-government advocacy by overseas staff, U.S. Ambassadors and senior USG officials;
- Coordinating with other trade-related agencies (e.g. Department of State, United States Trade Representative, Export-Import Bank, Overseas Private Investment Corporation, and the Trade Development Agency) to ensure coordinated USG advocacy on projects, including working with trade-finance agencies to help U.S. companies successfully bid on major projects; and
- Increasing number of advocacy clients, wins, export dollar value and jobs supported.

**SUBACTIVITY: TRADE PROMOTION COORDINATING COMMITTEE**

The Trade Promotion Coordinating Committee (TPCC) is chaired by the Secretary of Commerce and is composed of 20 Federal agencies that work together to coordinate and streamline trade promotion and financing services. The TPCC develops and implements a government-wide strategic plan for Federal trade promotion efforts and submits the National Export Strategy Report to Congress. The TPCC Secretariat host the Export.Gov the interagency trade promotion portal. The TPCC is also charged with developing the Presidents National Export Initiative focusing on:

- Improving trade advocacy and export promotion efforts;
- Increasing access to credit, especially for small and midsize businesses;
- Removing barriers to the sale of U.S. goods and services abroad;
- Enforcing trade rules; and
- Pursuing policies at the global level to promote strong, sustainable, and balanced growth.

TPCC FEDERAL AGENCIES		
Department of Commerce	Department of Energy	Department of the Treasury
Department of State	National Economic Council	United States Trade Representative
Department of Agriculture	Department of the Interior	U.S. Trade and Development Agency
U.S. Agency for International Development	Department of Defense	Council of Economic Advisors
Small Business Administration	Office of Management and Budget	Department of Transportation
Export-Import Bank of the United States	Department of Labor	Overseas Private Investment Corporation
Environmental Protection Agency	United States Information Agency	

**SUBACTIVITY: INVEST IN AMERICA**

Foreign direct investment (FDI) plays an important role in the U.S. economy, supporting 5.6 million jobs – 30% of which are in manufacturing – accounting for over 10% of U.S. private sector capital investment, nearly 15% of annual Research & Development expenditures, and nearly 20% of our exports.

Invest in America (IIA) operates as a complement to state and local economic development efforts to promote the United States as the best market for investment in the world and addresses business climate concerns that may impede investment. IIA accomplishes its mission by responding to investor inquiries, serving as ombudsman for international investors with concerns and issues

involving federal agencies, connecting investors with U.S. states on a geographically neutral basis, and undertaking outreach and engagement to the international investor community.

The shift to include investment promotion as a function of ITA allows our commercial service officers around the world to provide investment promotion support services on a resource-available basis to U.S. state and local economic development organizations working to attract foreign direct investment to their communities.

The Commercial Service assists exporters across all sectors of the U.S. economy through a wide range of products and services, from general export counseling to business-to-business matchmaking, to customized market research. Taken together, these products and services boost American competitiveness, especially in markets with significant foreign competition, and challenging markets with unclear procurement and regulatory regimes.

## **PROGRAM CHANGES FOR FY 2012:**

**National Export Initiative (+97 FTE, +\$61,078,000):** ITA is requesting 97 FTE and \$61.1 million to support Trade Promotion and U.S. and Foreign Commercial Service's contribution to the implementation of the Agency-wide National Export Initiative which will expand exports for economic growth and job creation. In addition to the above mentioned 97 FTE, the Commercial Service will add the equivalent of 103 Locally Engaged Staff (LES) to its overseas presence.

### **Statement of Need and Economic Benefits:**

In his 2010 Address, President Obama announced the National Export Initiative (NEI), which set a goal of doubling exports over the next five years, an increase that will support millions of American jobs and lead to long-term, sustainable economic growth for the United States. The President reiterated, in his 2011 State of the Union Address, the critical role of exports in America's economic recovery. ITA's export promotion services and advocacy for open markets directly support the NEI and this budget request is critical to help meet the President's goal.

Exporting is fundamentally a decision driven by our entrepreneurs, workers and farmers. But, businesses attempting to close an export sale today face many hurdles, including lack of readily available information about exporting and market research, challenges obtaining export financing and strong competition from foreign companies and foreign governments. The NEI is the Administration's commitment to serve as a full partner with U.S. businesses to promote American-made goods and services worldwide.

The President signed Executive Order 13534 on March 11, 2010. The U.S. Department of Commerce (DOC) and the ITA are directly responsible for addressing the following priorities highlighted in the Executive Order:

1. Expanding programs designed to enhance exports by small and medium-sized enterprises;
2. Promoting federal resources currently available to assist exports by U.S. companies;
3. Ensuring that U.S. Government led trade missions effectively promote exports by U.S. companies;
4. Ensuring that Commercial Advocacy effectively promotes exports by U.S. companies;
5. Improving market access overseas for our manufacturers, farmers and service providers by actively opening new markets, reducing significant trade barriers, and robustly enforcing our trade agreements;

6. Developing a framework, including policy and export promotion tools, for exports of services.

U.S. industry's ability to export and increase its global market share is the key to long-term success and, most importantly, to sustained economic growth and job creation.

ITA plays a critical role in implementing the President's NEI and ITA's FY 2012 budget request is designed to meet his challenge. ITA's contribution to the President's NEI leverages our infrastructure and programs to focus on key factors that will contribute to domestic job creation. The NEI has the potential to make a significant contribution to economic growth in the U.S. and to stimulate domestic job creation. By increasing the number of U.S. firms that export and enabling them to increase their volume of exports, new higher-wage jobs will be created, and U.S. companies will be better able to compete in the expanding global marketplace. Under the NEI, the Commercial Service will:

- Expand overseas presence (officers and locally engaged staff) of the Commercial Service in high growth markets such as China, India, and Brazil. This would enhance the global network and allow identification of more export opportunities, counseling exporters more rapidly and providing commercial diplomacy and advocacy service.
- Remove government imposed non-tariff barriers such as standards or technical barriers and subsidies, and develop and implement anti-corruption programs.
- Increase funding for innovative public-private partnerships to promote exports. Enhance public-private partnerships, including expanded outreach to the States and corporate/strategic partners.
- Increase outreach and guidance to SMEs that currently export to one market and are capable of entering more challenging high-growth markets (like China). Launch a new nation-wide export education and awareness campaign, a national series of export conferences, and a program of assistance, outreach and education tailored to SMEs, leveraging Trade Promotion Coordinating Committee (TPCC) Agencies and corporate partners. Expand SME exporters to beyond two or more additional more challenging markets.
- Develop a comprehensive program to identify market opportunities for export-intensive, high-growth industry sectors (e.g. environmental goods and services, renewable energy, health care, bio-tech, etc.) and increase the number and size of various trade event activities to promote these technologies in critical markets, giving U.S. firms more opportunities to make export deals with foreign buyers and distributors.
- Increase the number and size of U.S. government-led trade missions and reverse trade missions to the U.S. focused on critical sectors (e.g. environmental goods, health care, biotechnology, and aviation). Recruit Reverse Trade Missions bringing potential foreign buyers to U.S. companies, focused on 10 sectors (6 manufacturing and 4 services). Increase the number of foreign buyers to US trade shows. This includes hiring Locally Engaged Staff (LES) or contractors to recruit/lead delegations and domestic staff to get the right "matchmaking" clients.
- Increase capacity of the Trade Information Center to handle exporter inquiries. Increase the technology and communication infrastructure/tools which includes new sites domestically and internationally (e.g. Client Tracking system, Trusted Internet Connection (TIC), virtual trade information center, Web 2.0, redesign of Export.gov, Webcast and Videos).
- Implement an export promotion plan targeted at top services sectors in export value (e.g. travel and tourism industry, construction services, etc.). Identify high growth foreign markets for these sectors, address market barriers and track successes.

**Program Optimization (-29 FTE, -\$12,059,000):**

Commercial Service's budget reflects a decrease of \$12.1 million and 29 FTE to support the Administration's deficit reduction goals and to streamline base operations to focus on the Presidents' NEI. Within the above total is a reduction of \$6.1 million in Administrative Cost Savings.

**Proposed Actions:**

In FY 2012, the Commercial Service will continue its efforts to maximize the economic benefit of its programs. Commercial Service will continue to evaluate programs, services, and offices based on numerous quantitative and qualitative measures, and in consultation with key private and public sector stakeholders, to ensure that the Commercial Service is delivering the right products and services for a changing world economy. The Commercial Service is identifying several cost-savings for FY 2012, as well as optimizing a variety of Commercial Service administrative functions, staffing Foreign Commercial posts with high potential for increasing U.S. exports, and reducing support for several non-critical programs. The Commercial Service will reduce liaison support for multilateral development banks, streamline headquarters administrative functions, and utilize an Overseas Resource Allocation Model (ORAM) to assist in the review of each of our international operations. The Commercial Service will use the findings of the ORAM to determine levels of regional support and specific post closings where necessary. Domestically, the Commercial Service will evolve away from costly leased space and move toward consolidation into shared space, free space or into a virtual office environment in some domestic locations. ITA will make better use of technology and streamline operations and procedures to allow us to meet our customers' needs more efficiently and economically.

The shift of some domestic trade specialist staff to no/low cost office space and an increased reliance on teleworking will result in a corresponding savings in leasehold costs. The refocusing of Commercial Service operations on high-yield international markets and the elimination of Commercial Service offices in low-yield markets will result in personnel and administrative cost savings.

**Base Resource Assessment:**

The Commercial Service is the U.S. Government's front facing exporter support unit. The NEI further highlights the importance of focusing on "export generating trade promotion" activities in an increasingly global marketplace. Therefore, ITA will ensure that NEI-driven activities are not compromised. The Commercial Service will continue to contribute to the NEI by consolidating resources in key initiatives. These initiatives will focus on increasing our expertise and involvement in export-intensive high-growth industry sectors and improving partnerships with supply-chain companies and others in an effort to expand exports by assisting U.S. companies to enter more markets. Commercial Service core competencies of export promotion, advocacy and commercial diplomacy will continue to be sustained.

**Schedule and Milestones:**

The proposed reductions will be executed before the start of the 2012 fiscal year.

**Deliverables:**

- Modification of 22 USC 262 - Sec. 262s-2 regarding the appointment of Commercial Service Officers to serve at multilateral development banks in which the United States participates.
- Termination of some leases to support facility consolidation efforts.
- On the completion of the Overseas Resource and Allocation Model (ORAM) exercise, ITA will determine specific post closings and the extent to which regional support realignment is required.

**Termination of Unrequested Congressional Projects (-\$3,017,000):** ITA requests a decrease of \$3.0 million to eliminate funding for the Commercial Service’s share of the \$5.2 million in Congressionally designated spending items identified in House Report 111-366.

**Proposed Actions:**

The Commercial Service will continue to strengthen American competitiveness and job creation by promoting U.S. exports, primarily by small and medium-sized businesses, and advancing U.S. Commercial interests overseas. Termination of earmarks will not affect Commercial Service performance measures.

**Base Resource Assessment:**

As the current 2011 Continuing Resolution is silent on the treatment of earmarks, it is assumed to contain funding for these projects.

**Performance Goals and Measurement**

<b>Performance Measure:</b>	<b>FY</b>	<b>FY</b>	<b>FY</b>	<b>FY</b>	<b>FY</b>	<b>FY</b>
Ratio of US&FCS Export Value to US&FCS Costs	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
	<b>Target</b>	<b>Target</b>	<b>Target</b>	<b>Target</b>	<b>Target</b>	<b>Target</b>
<b>With Change</b>	<b>\$130</b>	<b>\$140</b>	<b>\$144</b>	<b>\$148</b>	<b>\$152</b>	<b>\$156</b>
<b>Without Change</b>	<b>\$130</b>	<b>\$140</b>	<b>\$139.5</b>	<b>\$139</b>	<b>\$138.5</b>	<b>\$138</b>
<b>Description:</b> This measure focuses on US&FCS’s ability to efficiently and effectively help U.S. companies export by comparing the dollar value of exports supported by US&FCS (e.g. US&FCS Export Value) to US&FCS program costs.						

<b>Performance Measure:</b>	<b>FY</b>	<b>FY</b>	<b>FY</b>	<b>FY</b>	<b>FY</b>	<b>FY</b>
Number of firms that successfully export with Commercial Service assistance	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
	<b>Target</b>	<b>Target</b>	<b>Target</b>	<b>Target</b>	<b>Target</b>	<b>Target</b>
<b>With Change</b>	<b>5,500</b>	<b>5,800</b>	<b>6,100</b>	<b>6,200</b>	<b>6,300</b>	<b>6,400</b>
<b>Without Change</b>	<b>5,500</b>	<b>5,800</b>	<b>5,750</b>	<b>5,700</b>	<b>5,650</b>	<b>5,600</b>
<b>Description:</b> This measure illustrates the Commercial Service’s effectiveness at helping companies to successfully export by reporting the annual number that do so with Commercial Service assistance.						

<b>Performance Measure:</b>	<b>FY</b>	<b>FY</b>	<b>FY</b>	<b>FY</b>	<b>FY</b>	<b>FY</b>
Number of clients assisted by US&FCS	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
	<b>Target</b>	<b>Target</b>	<b>Target</b>	<b>Target</b>	<b>Target</b>	<b>Target</b>
<b>With Change</b>	<b>19,723</b>	<b>20,709</b>	<b>21,500</b>	<b>21,700</b>	<b>21,900</b>	<b>22,100</b>
<b>Without Change</b>	<b>19,723</b>	<b>19,900</b>	<b>19,850</b>	<b>19,800</b>	<b>19,750</b>	<b>19,700</b>
<b>Description:</b> This measure illustrates ITA's annual effectiveness in providing export counseling and assistance to more U.S. companies.						

<b>Performance Measure:</b>	<b>FY</b>	<b>FY</b>	<b>FY</b>	<b>FY</b>	<b>FY</b>	<b>FY</b>
Number of new markets U.S. exporters successfully enter with Commercial Service assistance	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
	<b>Target</b>	<b>Target</b>	<b>Target</b>	<b>Target</b>	<b>Target</b>	<b>Target</b>
<b>With Change</b>	<b>5,200</b>	<b>5,500</b>	<b>5,850</b>	<b>5,900</b>	<b>5,950</b>	<b>6,000</b>
<b>Without Change</b>	<b>5,200</b>	<b>5,500</b>	<b>5,450</b>	<b>5,400</b>	<b>5,350</b>	<b>5,300</b>
<b>Description:</b> This measure illustrates the Commercial Service's ability to help existing exporters overcome the impediments to expand into multiple markets by reporting the annual number of new markets successfully entered by U.S. exporters with Commercial Service assistance.						

<b>Performance Measure:</b>	<b>FY</b>	<b>FY</b>	<b>FY</b>	<b>FY</b>	<b>FY</b>	<b>FY</b>
Annual number of SMEs US&FCS assists in exporting to a second or additional country	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
	<b>Target</b>	<b>Target</b>	<b>Target</b>	<b>Target</b>	<b>Target</b>	<b>Target</b>
<b>With Change</b>	<b>New</b>	<b>3,307</b>	<b>3,500</b>	<b>3,600</b>	<b>3,700</b>	<b>3,800</b>
<b>Without Change</b>	<b>New</b>	<b>3,200</b>	<b>3,150</b>	<b>3,100</b>	<b>3,050</b>	<b>3,000</b>
<b>Description:</b> This measure illustrates the effectiveness of US&FCS in helping more small and medium-sized enterprises (SMEs) to export to a 2nd or additional country. Beginning in FY 2012, this measure will be replacing ITA's current measure "Number of SME NTM firms/SME firms exporting to two to nine markets (annual)" which is dependent on Census reporting schedules often resulting in a lag in calculating ITA performance outcomes.						

<b>Performance Measure:</b>	<b>FY</b>	<b>FY</b>	<b>FY</b>	<b>FY</b>	<b>FY</b>	<b>FY</b>
Dollar Value of U.S. Export Content in Advocacy Cases Won	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
	<b>Target</b>	<b>Target</b>	<b>Target</b>	<b>Target</b>	<b>Target</b>	<b>Target</b>
<b>With Change</b>	<b>N/A</b>	<b>\$19B</b>	<b>\$19.5B</b>	<b>\$20B</b>	<b>\$20.5B</b>	<b>\$21B</b>
<b>Without Change</b>	<b>N/A</b>	<b>\$19B</b>	<b>\$18.5B</b>	<b>\$18B</b>	<b>\$17.5B</b>	<b>\$17B</b>
<b>Description:</b> This measure illustrates the effectiveness of US&FCS advocacy efforts to help U.S. companies win foreign government procurements by providing the dollar value of U.S. export content in advocacy cases won. Improvement in this metric is an indicator that US&FCS advocacy efforts are increasingly effective at ensuring that U.S. business interests receive fair treatment in foreign markets.						

<b>Performance Measure:</b>	<b>FY</b>	<b>FY</b>	<b>FY</b>	<b>FY</b>	<b>FY</b>	<b>FY</b>
Number of commercial diplomacy successes (annual)	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
	<b>Target</b>	<b>Target</b>	<b>Target</b>	<b>Target</b>	<b>Target</b>	<b>Target</b>
<b>With Change</b>	<b>131</b>	<b>152</b>	<b>155</b>	<b>158</b>	<b>161</b>	<b>164</b>
<b>Without Change</b>	<b>131</b>	<b>132</b>	<b>132</b>	<b>132</b>	<b>132</b>	<b>132</b>
<b>Description:</b> This measure illustrates the Commercial Service's front-line diplomatic engagement with foreign governments by reporting the number of foreign government actions taken that result in an outcome that benefits a U.S. company or the U.S. national economic interest						

**PROGRAM CHANGE PERSONNEL DETAIL**

(Dollar amount in thousands)

**Activity: Trade Promotion and U.S. & Foreign Commercial Service**

**Subactivity: Trade Promotion and U.S. & Foreign Commercial Service**

**Program Change: National Export Initiative**

<b>Title:</b>	<b>Location</b>	<b>Grade</b>	<b>Number of Positions</b>	<b>Annual Salary</b>	<b>Total Salaries</b>
Supervisory International Trade Specialist	Washington, DC	GS-15	2	140,259	280,518
Supervisory International Trade Specialist	Washington, DC	GS-14	5	119,238	596,190
Information Technology Specialist	Washington, DC	GS-14	2	119,239	238,478
International Trade Specialist	Washington, DC	GS-13	18	100,904	1,816,272
Information Technology Specialist	Washington, DC	GS-13	2	100,904	201,808
International Trade Specialist	Washington, DC	GS-12	17	84,855	1,442,535
International Trade Specialist	Washington, DC	GS-11	15	70,794	1,061,910
International Trade Specialist	Washington, DC	GS-10	10	58,511	585,110
Subtotal			71		6,222,821
Less Lapse	25%		(18)		(1,555,705)
<b>Total Full-time permanent:</b>			53		4,667,116
Locally Engaged Staff	Various		138	53,000	7,314,000
Subtotal					7,314,000
Less Lapse	25%				(1,828,500)
Subtotal					5,485,500
2011 Pay Adjustment (1.4%) [For Locally Engaged Staff only]					76,797
2012 Pay Adjustment (2.3%) [For Locally Engaged Staff only]					127,933
<b>Total</b>			138		5,690,230
Foreign Service Officer	Various	FS-01	4	139,290	557,160
Foreign Service Officer	Various	FS-02	4	112,866	451,464
Foreign Service Officer	Various	FS-03	39	91,454	3,566,706
Foreign Service Officer	Various	FS-04	12	74,103	889,236
Subtotal			59		5,464,566
Less Lapse	25%		(15)		(1,366,142)
<b>Total</b>			44		4,098,424
<b>Total</b>			97		14,455,770
<b>Personnel Data</b>			<b>Number</b>		
Full-time Equivalent Employment					
Full-time permanent			97		
Other than full-time permanent			0		
<b>Total</b>			97		
Authorized Positions:					
Full-time permanent			130		
Other than full-time permanent			0		
<b>Total</b>			130		

NOTE: Locally Engaged Staff are not included in FTE or Position counts but are classified as contractors per Department of State.

**PROGRAM CHANGE PERSONNEL DETAIL**

(Dollar amount in thousands)

**Activity: Trade Promotion and U.S. & Foreign Commercial Service**

**Subactivity: Trade Promotion and U.S. & Foreign Commercial Service**

**Program Change: Program Optimization**

<b>Title:</b>	<b>Location</b>	<b>Grade</b>	<b>Number of Positions</b>	<b>Annual Salary</b>	<b>Total Salaries</b>
Supervisory International Trade Economist	Washington, DC	GS-15	(1)	123,758	(123,758)
Economist	Washington, DC	GS-14	(2)	105,211	(210,422)
Business and Industry Specialist	Washington, DC	GS-14	(1)	105,211	(105,211)
Business and Industry Specialist	Washington, DC	GS-13	(1)	89,033	(89,033)
International Trade Specialist	Washington, DC	GS-13	(3)	89,033	(267,099)
International Trade Specialist	Washington, DC	GS-12	(4)	74,872	(299,488)
Business and Industry Specialist	Washington, DC	GS-11	(1)	62,467	(62,467)
International Trade Specialist	Washington, DC	GS-11	(1)	62,467	(62,467)
International Trade Specialist	Washington, DC	GS-07	(1)	42,209	(42,209)
Foreign Service Officer	Various	FS-01	(9)	123,758	(1,113,822)
Foreign Service Officer	Various	FS-02	(4)	100,280	(401,120)
Foreign Service Officer	Various	FS-03	(1)	81,256	(81,256)
Locally Engaged Staff	Various		(41)	53,000	(2,173,000)
Subtotal			(29)		(5,031,352)
Less Lapse	0%		0		0
<b>Total Full-time permanent:</b>			(29)		(5,031,352)
2011 Pay Adjustment (1.4%) [Locally Engaged Staff only]					(30,422)
2012 Pay Adjustment (2.3%) [Locally Engaged Staff only]					(50,679)
<b>Total</b>					(5,112,453)

**Personnel Data**

	Number
Full-Time Equivalent Employment	
Full-time permanent	(29)
Other than full-time permanent	0
<b>Total</b>	(29)
Authorized Positions:	
Full-time permanent	(29)
Other than full-time permanent	0
<b>Total</b>	(29)

NOTE: Locally Engaged Staff are not included in FTE or Position counts but are classified as contractors per Department of State.

**PROGRAM CHANGE DETAIL BY OBJECT CLASS**  
**(Dollar amounts in thousands)**

Activity: Trade Promotion and U.S. & Foreign Commercial Service  
Subactivity: Trade Promotion and U.S. & Foreign Commercial Service

<b>Object Class</b>	<b>2012 Change</b>
11 Personnel compensation	
11.1 Full-time permanent	\$9,343
11.3 Other than full-time permanent	0
11.5 Other personnel compensation	278
11.8 Special personnel services payments	0
11.9 Total personnel compensation	9,621
12 Civilian personnel benefits	3,422
13 Benefits for former personnel	2,127
21 Travel and transportation of persons	7,364
22 Transportation of things	589
23.1 Rental payments to GSA	(434)
23.2 Rental Payments to others	337
23.3 Communications, utilities and miscellaneous charges	835
24 Printing and reproduction	18
25.1 Advisory and assistance services	0
25.2 Other services	14,400
25.3 Purchases of goods & services from Gov't accounts	4,912
25.4 Operation and maintenance of facilities	0
25.5 Research and development contracts	0
25.6 Medical care	0
25.7 Operation and maintenance of equipment	0
25.8 Subsistence and support of persons	0
26 Supplies and materials	282
31 Equipment	5,503
32 Lands and structures	0
33 Investments and loans	0
41 Grants, subsidies and contributions	(2,974)
42 Insurance claims and indemnities	0
43 Interest and dividends	0
44 Refunds	0
99 Total obligations	46,002

**Department of Commerce**  
**International Trade Administration**  
**Operations and Administration**  
**PROGRAM AND PERFORMANCE: DIRECT OBLIGATIONS**  
(Dollar amounts in thousands)

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

DOC Objective	2010 Actual	2011 CR (Annualized)		2012 Base		2012 Estimate		Increase/ (Decrease)		
		Personnel	Amount	Personnel	Amount	Personnel	Amount		Personnel	Amount
Provide services to improve the competitiveness of small and medium size firms in manufacturing and service industries	16	2,625	14	2,625	14	2,691	14	2,600	0	(91)
Increase US export value through an emphasis on trade promotion, market access, compliance and interagency collaboration (including support for small and medium enterprises)	92	18,278	79	18,278	79	18,650	79	20,556	0	1,906
Vigorously enforce U.S. fair trade laws through impartial investigation of complaints; improved access for U.S. firms and workers; and, strengthened efforts to ensure compliance with Antidumping/Countervailing Duty remedies	32	6,195	32	6,701	32	6,567	32	6,326	0	(241)
<b>Total</b>	<b>149</b>	<b>27,295</b>	<b>128</b>	<b>27,295</b>	<b>128</b>	<b>27,908</b>	<b>128</b>	<b>29,482</b>	<b>0</b>	<b>1,574</b>
	<b>112</b>	<b>26,452</b>	<b>112</b>	<b>28,614</b>	<b>112</b>	<b>27,908</b>	<b>112</b>	<b>29,482</b>	<b>0</b>	<b>1,574</b>

ITA positions in FY 2011 and FY 2012 have been adjusted to match staffing plan and eliminate unfunded/non-essential positions.

**Department of Commerce**  
**International Trade Administration**  
**Operations and Administration**  
**PROGRAM AND PERFORMANCE: REIMBURSABLE OBLIGATIONS**  
(Dollar amounts in thousands)

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

	2010 Actual	2011 CR (Annualized)		2012 Base		2012 Estimate		Increase/ (Decrease)			
		Personnel	Amount	Personnel	Amount	Personnel	Amount		Personnel	Amount	
Provide services to improve the competitiveness of small and medium size firms in manufacturing and service industries	1	297	1	159	1	159	1	159	0	0	
	FTE/Obl.	1	297	1	159	1	159	1	159	0	0
Increase US export value through an emphasis on trade promotion, market access, compliance and interagency collaboration (including support for small and medium enterprises)	1	297	1	159	1	159	2	240	1	81	
	FTE/Obl.	1	297	1	159	1	2	240	1	81	
Vigorously enforce U.S. fair trade laws through impartial investigation of complaints, improved access for U.S. firms and workers, and strengthened efforts to ensure compliance with Antidumping/Countervailing Duty remedies	2	532	2	381	2	381	2	381	0	0	
	FTE/Obl.	3	532	2	381	2	2	381	0	0	
<b>Total</b>	<b>4</b>	<b>1,126</b>	<b>4</b>	<b>699</b>	<b>4</b>	<b>699</b>	<b>5</b>	<b>780</b>	<b>1</b>	<b>81</b>	
	<b>5</b>	<b>1,126</b>	<b>4</b>	<b>699</b>	<b>4</b>	<b>699</b>	<b>5</b>	<b>780</b>	<b>1</b>	<b>81</b>	

**APPROPRIATION ACCOUNT: OPERATIONS AND ADMINISTRATION****BUDGET ACTIVITY: EXECUTIVE DIRECTION AND ADMINISTRATION**

For FY 2012, ITA requests an increase of \$2,187,000 and 0 FTE from the FY 2010 enacted level for a total of \$29,482,000 and 112 FTE for the Executive Direction and Administration.

**BASE JUSTIFICATION FOR FY 2012:**

## Executive Direction and Administration Overview

The mission of the Executive Direction and Administration (ExAd) unit is to achieve U.S. trade expansion and economic growth through executive leadership; well-conceived policy guidance; and efficient and effective management of ITA resources.

The ExAd (\$29.5 million and 112 FTE) budget is organized into the following three main units that support the Management & Corporate Services subactivity under the Operations and Administration appropriation account:

- Executive Direction includes the Office of the Under Secretary (OUS), Office of the Deputy Under Secretary (ODUS), Office of Legislative and Intergovernmental Affairs (OLIA), and the Office of Public Affairs (OPA). This unit plans, determines, and coordinates policy; directs programmatic activities; and is responsible for all administrative processes of ITA.
- The Chief Financial Officer and Director of Administration through the Office of Financial Management, Office of Management and Organization, and Office of Strategic Resources oversees the agency's resources and measures program performance to ensure ITA's success in achieving its strategic goals.
- The Office of the Chief Information Officer (OCIO) provides centralized strategic and operational management of information technology (IT) resources; maximizes information control and IT security on a global basis; and oversees platform standardization, training and life cycle management.

**Significant Adjustments-to-Base (ATBs):**

The FY 2012 ATB request is a net increase of \$0.7 million to fund inflationary adjustments to current programs ExAd activities. The increase will provide inflationary increases for overseas local labor increases as well as increased costs for non-labor activities, including service contracts, utilities, field office lease payments, and rent charges from the General Service Administration (GSA). Within the above total is a reduction of \$40 thousand in administrative cost savings identified through the Department's Working Capital Fund (see the Departmental Management Working Capital Fund section for more details).

**ADMINISTRATIVE COST SAVINGS:**

The Administration is pursuing an aggressive government-wide effort to curb non-essential administrative spending called the Administrative Efficiency Initiative. In order to be good stewards of taxpayer money the Federal Government is improving the efficiency of programs without reducing their effectiveness. As such, the President directed each agency to analyze its administrative costs and identify savings where possible. After reviewing its administrative costs, ITA has identified \$10.0

million in administrative savings through business process reengineering in areas such as acquisition, human capital, IT related items, logistics plans and in general administrative support. Within the above total is a reduction of \$1.4 million in administrative cost savings identified through the Department's Working Capital Fund (see the Departmental Management Working Capital Fund section for more details). The \$10.0 million in administrative savings represents real reductions to ITA's funding level and will help reduce overall spending by the Federal government. Of the \$10.0 million in administrative savings total for ITA, ExAd will produce \$95 thousand through reductions described below.

## **SUBACTIVITY: MANAGEMENT & CORPORATE SERVICES**

### **Executive Direction**

Executive Direction provides overall executive leadership and guidance to ITA. Executive Direction represents ITA on the National Economic Council; the Trade Policy Review Group; and, serves on other Secretarial level boards, committees or panels for which the primary focus is international trade. The OUS plans, determines, and coordinates policy; directs the programs; and is responsible for all activities of ITA. The OUS coordinates all issues concerning trade promotion, commercial policy, market access, trade agreements, and domestic and international competitiveness. The ODUS oversees the daily operations of the ITA; participates in the development of U.S. trade policy; identifies and resolves market access and compliance issues; promotes American competitiveness and the strength of U.S. companies in the global economy; administers U.S. trade laws; and, undertakes a range of trade promotion and trade advocacy efforts. The 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. The OPA broadcasts ITA's services and successes to the appropriate press and business audiences in the United States and around the world; provides increased visibility to the ITA brand; enhances customer service to internal and external stakeholders; and, provides information to the public and the press on issues related to the activities of the ITA.

### **Chief Financial Officer and Director of Administration**

The Chief Financial Officer and Director of Administration, through the Office of Financial Management, Office of Management and Organization, and Office of Strategic Resources oversees the agency's resources and measures program performance to ensure ITA's success in achieving its strategic goals. These offices provide shared services solutions to ITA programs and manage the financial and administrative aspects of ITA, and ensure the needs of ITA clients and employees are fulfilled. The offices of the Chief Financial Officer and Director of Administration enable ITA programs to operate at maximum efficiency and improve overall effectiveness through the use of integrated systems; program analysis and evaluation; strategic planning; and continuous business process improvement. In addition, the Chief Financial Officer and Director of Administration maintains strong links between performance and budgets to ensure that strategic objectives are met.

### **Office of the Chief Information Officer**

The OCIO provides centralized strategic and operational management of IT resources; maximizes information control and IT security on a global basis; and oversees platform standardization, training and life cycle management. In addition, the OCIO oversees the administration of ITA and the Trade Promotion Coordinating Committee's portal, Export.gov ([www.export.gov](http://www.export.gov)), which serves as the primary web-based communication channel to the exporting community in support of the President's NEI. By providing the necessary IT tools and maintenance, the CIO provides a platform 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 OCIO office provide ITA's customers with an important and useful tool to learn about exporting, but it also integrates many of

the facets of ITA's organizational efforts into one seamless and unified informational space. Examples of ITA-wide IT capabilities supported by OCIO include ITA's Client Tracking System (CTS), a customer relationship management system, that provides the ITA workforce with a comprehensive view of all client and customer interactions; ITA's web infrastructure to support ITA outreach and initiatives such as the NEI through ITA's public web venues (e.g. Export.gov and Trade.gov); and a secure global network connecting ITA offices around the world.

#### **PROGRAM CHANGES FOR FY 2012:**

**National Export Initiative (+1 FTE, +\$2,500,000):** ITA is requesting 1 FTE and \$2.5 million to support Executive Direction and Administration's contribution to the implementation of the Agency-wide NEI which will expand exports for economic growth and job creation.

#### **Statement of Need and Economic Benefits:**

In his 2010 Address, President Obama announced the National Export Initiative (NEI), which set a goal of doubling exports over the next five years, an increase that will support millions of American jobs and lead to long-term, sustainable economic growth for the United States. The President reiterated, in his 2011 State of the Union Address, the critical role of exports in America's economic recovery. ITA's export promotion services and advocacy for open markets directly support the NEI and this budget request is critical to help meet the President's goal.

Exporting is fundamentally a decision driven by our entrepreneurs, workers and farmers. But, businesses attempting to close an export sale today face many hurdles, including lack of readily available information about exporting and market research, challenges obtaining export financing and strong competition from foreign companies and foreign governments. The NEI is the Administration's commitment to serve as a full partner with U.S. businesses to promote American-made goods and services worldwide.

The President signed Executive Order 13534 on March 11, 2010. The U.S. Department of Commerce (DOC) and the ITA are directly responsible for addressing the following priorities highlighted in the Executive Order:

1. Expanding programs designed to enhance exports by small and medium-sized enterprises;
2. Promoting federal resources currently available to assist exports by U.S. companies;
3. Ensuring that U.S. Government led trade missions effectively promote exports by U.S. companies;
4. Ensuring that Commercial Advocacy effectively promotes exports by U.S. companies;
5. Improving market access overseas for our manufacturers, farmers and service providers by actively opening new markets, reducing significant trade barriers, and robustly enforcing our trade agreements;
6. Developing a framework, including policy and export promotion tools, for exports of services.

U.S. industry's ability to export and increase its global market share is the key to long-term success and, most importantly, to sustained economic growth and job creation.

ITA plays a critical role in implementing the President's NEI and ITA's FY 2012 budget request is designed to meet his challenge. ITA's contribution to the President's NEI leverages our infrastructure and programs to focus on key factors that will contribute to domestic job creation. The NEI has the potential to make a significant contribution to economic growth in the U.S. and to stimulate domestic job creation. By increasing the number of U.S. firms that export and enabling them to increase their

volume of exports, new higher-wage jobs will be created, and U.S. companies will be better able to compete in the expanding global marketplace.

With additional funding, ITA would also pursue: (1) improved software capability of our Client Tracking system; (2) meet the USG's Trusted Internet Connection (TIC) requirements; (3) develop and launch a virtual trade information center; (4) implement Web 2.0 applications; (5) redesign our Export.gov website; and (6) create webcasts and videos.

**Program Optimization (-1 FTE, -\$107,000):** ITA requests a decrease of \$0.1 million and 1 FTE to support the Administration's deficit reduction goals and to streamline base operations to focus on the NEI. This reduction is part of the Administrative Cost Savings for ITA.

**Proposed Action:**

ExAd will focus on using direct resources in the execution of the NEI. Moving forward, the cost of most detailees will be reimbursable activities and will be absorbed by the receiving organization.

**Base Resource Assessment:**

ExAd will continue to focus on its core mission to achieve U.S. trade expansion and economic growth through executive leadership; well-conceived policy guidance; and effective management of ITA resources.

**Schedule and Milestones:**

The proposed reductions will be executed before the start of the 2012 fiscal year.

**Deliverables:**

N/A

**Termination of Unrequested Congressional Projects (-\$819,000):** ITA requests a decrease of \$319 thousand to eliminate funding for ExAd's share of the \$5.2 million in Congressionally designated spending items identified in House Report 111-366. In addition, ITA proposes to eliminate \$0.5 million in funding for human rights training included in the accompanying conference report.

**Proposed Actions:**

ExAd will focus its efforts to achieve U.S. trade expansion and economic growth through executive leadership; well-conceived policy guidance; and efficient and effective management of ITA resources. A virtual human rights training class was developed with the FY 2010 funding and the effort no longer requires separate funding. Termination of earmarks will not affect ExAd performance measures.

**Base Resource Assessment:**

As the current 2011 Continuing Resolution is silent on the treatment of earmarks, it is assumed to contain funding for these projects.

**Performance Goals and Measurement Data**

<b>Performance Measure:</b>	<b>FY</b>	<b>FY</b>	<b>FY</b>	<b>FY</b>	<b>FY</b>	<b>FY</b>
<b>Percent of Clean Audit Opinion</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
	<b>Target</b>	<b>Target</b>	<b>Target</b>	<b>Target</b>	<b>Target</b>	<b>Target</b>
<b>With Change</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>
<b>Without Change</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>
<b>Description:</b> This measure illustrates that ITA's financial statements are presented fairly, in all material respects, and in conformity with U.S. generally accepted accounting principles.						

<b>Performance Measure:</b>	<b>FY</b>	<b>FY</b>	<b>FY</b>	<b>FY</b>	<b>FY</b>	<b>FY</b>
<b>Percent of systems certified and accredited (C&amp;A) with authority to operate (AO) or interim AO's</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
	<b>Target</b>	<b>Target</b>	<b>Target</b>	<b>Target</b>	<b>Target</b>	<b>Target</b>
<b>With Change</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>
<b>Without Change</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>
<b>Description:</b> This measure illustrates that ITA's IT systems are: operating at an acceptable level of risk; operating under approved system security requirements and security plans; in accordance with security requirements; and that operational security is appropriately maintained.						

**PROGRAM CHANGE PERSONNEL DETAIL**

(Dollar amount in thousands)

**Activity: Executive Direction and Administration**

**Subactivity Management & Corporate Services**

**Program Change: National Export Initiative**

<b>Title:</b>	<b>Location</b>	<b>Grade</b>	<b>Number of Positions</b>	<b>Annual Salary</b>	<b>Total Salaries</b>
Information Technology Specialist	Washington, DC	GS-14	1	119,238	119,238
Subtotal			1		119,238
Less Lapse	25%		0		(29,810)
<b>Total Full-time permanent:</b>			1		89,428

**Personnel Data**

Full-Time Equivalent Employment

Full-time permanent

Other than full-time permanent

**Total**

Number

1

0

1

Authorized Positions:

Full-time permanent

Other than full-time permanent

**Total**

1

0

1

**PROGRAM CHANGE PERSONNEL DETAIL**

(Dollar amount in thousands)

**Activity: Executive Direction and Administration**

**Subactivity Management & Corporate Services**

**Program Change: Program Optimization**

<b>Title:</b>	<b>Location</b>	<b>Grade</b>	<b>Number of Positions</b>	<b>Annual Salary</b>	<b>Total Salaries</b>
Special Assistant	Washington, DC	GS-11	<u>(1)</u>	62,467	<u>(62,467)</u>
Subtotal			(1)		(62,467)
Less Lapse	0%		<u>0</u>		<u>0</u>
<b>Total Full-time permanent:</b>			(1)		(62,467)

**Personnel Data**

Full-Time Equivalent Employment

Full-time permanent

Other than full-time permanent

**Total**

Number

(1)

0

(1)

Authorized Positions:

Full-time permanent

Other than full-time permanent

**Total**

(1)

0

(1)

**PROGRAM CHANGE DETAIL BY OBJECT CLASS**  
**(Dollar amounts in thousands)**

Activity: Executive Direction and Administration

Subactivity: Management & Corporate Services

<b>Object Class</b>	<b>2012 Change</b>
11 Personnel compensation	
11.1 Full-time permanent	27
11.3 Other than full-time permanent	0
11.5 Other personnel compensation	1
11.8 Special personnel services payments	0
11.9 Total personnel compensation	28
12 Civilian personnel benefits	12
13 Benefits for former personnel	0
21 Travel and transportation of persons	(343)
22 Transportation of things	0
23.1 Rental payments to GSA	10
23.2 Rental Payments to others	0
23.3 Communications, utilities and miscellaneous charges	2
24 Printing and reproduction	2
25.1 Advisory and assistance services	0
25.2 Other services	2,179
25.3 Purchases of goods & services from Gov't accounts	10
25.4 Operation and maintenance of facilities	0
25.5 Research and development contracts	0
25.6 Medical care	0
25.7 Operation and maintenance of equipment	0
25.8 Subsistence and support of persons	0
26 Supplies and materials	(15)
31 Equipment	8
32 Lands and structures	0
33 Investments and loans	0
41 Grants, subsidies and contributions	(319)
42 Insurance claims and indemnities	0
43 Interest and dividends	0
44 Refunds	0
99 Total obligations	1,574

**Department of Commerce**  
**International Trade Administration**  
**Operations and Administration**  
**SUMMARY OF REQUIREMENTS BY OBJECT CLASS**  
(Dollar amounts in thousands)

Object Class	2010 Actual	2011 CR (Annualized)	2012 Adjustments to Base	2012 Base	2012 Estimate	Increase/ (Decrease)
11 Personnel compensation	163,689	177,866	3,699	181,565	191,261	9,696
11.1 Full-time permanent	25,978	21,369	224	21,593	21,593	0
11.3 Other than full-time permanent	10,240	7,039	(120)	6,919	7,247	328
11.5 Other personnel compensation	0	7	0	7	7	0
11.8 Special personnel services payments	199,907	206,281	3,803	210,084	220,108	10,024
11.9 Total personnel compensation	60,441	59,194	5,234	64,428	68,086	3,658
12.1 Civilian personnel benefits	913	3,442	85	3,527	5,537	2,010
13 Benefits for former personnel	13,364	15,043	(1,168)	13,875	22,879	9,004
21 Travel and transportation of persons	1,715	2,098	34	2,132	2,851	719
22 Transportation of things	13,086	14,975	1,984	16,959	16,542	(417)
23.1 Rental payments to GSA	10,843	11,252	82	11,334	11,858	524
23.2 Rental payments to others	8,389	9,546	956	10,502	11,499	997
23.3 Communications, utilities and miscellaneous charges	1,217	1,918	4	1,922	2,065	143
24 Printing and reproduction	1,928	2,623	82	2,705	2,842	137
25.1 Advisory and assistance services	32,072	18,199	(2,375)	15,824	34,835	19,011
25.2 Other services	95,038	91,070	1,334	92,404	98,521	6,117
25.3 Purchase of goods and services from Gov't accounts	18	15	0	15	15	0
25.4 Operations and maintenance of facilities	144	302	8	310	310	0
25.5 Research and development contracts	35	136	3	139	139	0
25.6 Medical Care	702	302	9	311	311	0
25.7 Operations and maintenance of equipment	351	327	0	327	327	0
25.8 Substance and support of persons	2,326	2,885	(385)	2,500	2,770	270
26 Supplies and materials	7,570	6,836	(370)	6,466	12,473	6,007
31 Equipment	0	0	0	0	0	0
32 Lands and structures	0	0	0	0	0	0
33 Investments and loans	6,545	6,730	(1,000)	5,730	2,567	(3,163)
41 Grants, subsidies and contributions	157	26	0	26	26	0
42 Insurance claims and indemnities	2	0	0	0	0	0
43 Interest and dividends	(1)	91	0	91	91	0
44 Refunds	456,762	453,291	8,320	461,611	516,652	55,041
<b>99 Total Direct Obligations</b>	(6,475)	0	0	0	0	0
Less Prior Year Recoveries	(784)	0	0	0	0	0
Less Refunds	(4,243)	(5,376)	5,376	0	0	0
Less Unobligated balance, start of year	(3,890)	(1,150)	1,150	0	0	0
Less Unobligated balance, transferred	19	0	0	0	0	0
Plus Unobligated Balance, expiring	5,376	0	0	0	0	0
Plus Unobligated balance, end of year	1,150	0	0	0	0	0
Less Transfers from other accounts	(1,150)	0	0	0	0	0
Net Budget Authority	446,765	446,765	14,846	461,611	516,652	55,041

**Department of Commerce**  
**International Trade Administration**  
**Operations and Administration**  
**SUMMARY OF REQUIREMENTS BY OBJECT CLASS**  
(Dollar amounts in thousands)

	2010 Actual	2011 CR (Annualized)	2012 Adjustments to Base	2012 Base	2012 Estimate	Increase/ (Decrease)
<b>Personnel Data</b>						
<b>Full-Time equivalent Employment:</b>						
Full-time permanent	1,685	1,781	0	1,781	1,844	63
Other than full-time permanent	152	116	0	116	116	0
<b>Total</b>	<b>1,836</b>	<b>1,897</b>	<b>0</b>	<b>1,897</b>	<b>1,960</b>	<b>63</b>
<b>Authorized Positions:</b>						
Full-time permanent	1,990	1,897	0	1,897	2,009	112
Other than full-time permanent	191	191	0	191	191	0
<b>Total</b>	<b>2,181</b>	<b>2,088</b>	<b>0</b>	<b>2,088</b>	<b>2,200</b>	<b>112</b>

**DEPARTMENT OF COMMERCE  
International Trade Administration  
Operations and Administration  
JUSTIFICATION OF PROPOSED LANGUAGE CHANGES**

1. After the phrase “and that for the purpose of this Act, contributions under the provisions of the Mutual Educational and Cultural Exchange Act of 1961 shall include payment for assessments for services provided as part of these activities.” Insert the following paragraph: “Provided further, That up to \$2,500,000 from amounts provided herein shall be available for necessary expenses of the Commercial Law Development Program, including those authorized under section 636(a) of the Foreign Assistance Act of 1961 (22 U.S.C. 2396 (a))”

This change provides any funds appropriated to Commerce and used in the Commercial Law Development Program (CLDP) the same authorities that are granted under Foreign Assistance Act funds. Particularly important for the CLDP to continue to conduct programs that are uniquely government-to-government at the core, legislative language is required to allow for the payment of travel expenses for foreign officials.

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**Department of Commerce**  
**International Trade Administration**  
**Operations and Administration**  
**CONSULTING AND RELATED SERVICES**  
(Dollar amounts in thousands)

	<b>2010 Actual</b>	<b>2011 Estimate</b>	<b>2012 Estimate</b>
Management and professional support services.....	\$1,928	\$2,705	\$2,842
Studies, and analysis evaluations.....	0	0	0
Engineering and technical service.....	0	0	0
<b>Total.....</b>	<b>\$1,928</b>	<b>\$2,705</b>	<b>\$2,842</b>

ITA uses consulting services to meet relatively short-term requirements for industry and/or economic expertise, and to focus on specific areas such as export promotion events, negotiations, antidumping and countervailing duty cases. It is more economical to employ intermittent short-term expertise to meet these demands rather than maintain a permanent staff.

Management and professional support services: These services include sector specific market research studies, interpretation and stenographic support services.

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**Department of Commerce  
International Trade Administration  
Operations and Administration  
PERIODICALS, PAMPHLETS, AND AUDIOVISUAL PRODUCTS  
(Obligations in thousands)**

	<b>2010 Actual</b>	<b>2011 Estimate</b>	<b>2012 Estimate</b>
Periodicals.....	\$148	\$163	\$164
Pamphlets.....	217	239	219
Audiovisuals.....	40	44	40
Total.....	\$405	\$446	\$424

ITA publications, periodicals, as well as pamphlets, are some of the most essential tools with 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.

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.

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**Department of Commerce  
International Trade Administration  
Operations and Administration  
AVERAGE GRADE AND SALARIES**

	<b>2010 Actual</b>	<b>2011 Enacted</b>	<b>2012 Estimate</b>
Direct			
Average ES	\$160,852	\$160,852	\$160,852
Average GS grade	12.5	12.5	12.5
Average GS salary	\$97,731	\$97,731	\$97,731
Average grade and salary established by the Foreign Service Act of 1980 (U.S.C. 801-1158):			
Average Senior Foreign Service salary	\$164,263	\$164,263	\$164,263
Average Foreign Service Officer grade	1.9	1.9	1.9
Average Foreign Service Officer salary	\$124,182	\$124,182	\$124,182
Average Foreign Service Staff salary	\$94,804	\$94,804	\$94,804
Average Foreign Service salary in foreign countries	\$113,436	\$113,436	\$113,436

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Exhibit 7

**Department of Commerce  
International Trade Administration  
Grants to Manufacturers of Worsted Wool Fabrics  
SUMMARY OF RESOURCE REQUIREMENTS**  
(Dollar amounts in thousands)

	2010 Actual	2011 CR (Annualized)	2012 Base	2012 Estimate	Increase/ (Decrease)
Total Obligations	5,332	5,332	5,332	5,332	0
Financing:					
Offsetting collections from:					
Federal funds	0	0	0	0	0
Trust funds	0	0	0	0	0
Non-Federal funds, fee collections	0	0	0	0	0
Recoveries	0	0	0	0	0
Unobligated balance, start of year	0	0	0	0	0
Unobligated balance, carryover	0	0	0	0	0
Unobligated balance, expiring	0	0	0	0	0
Unobligated balance, end of year	0	0	0	0	0
Rescission	0	0	0	0	0
Unobligated balance rescission	0	0	0	0	0
Budget Authority	5,332	5,332	5,332	5,332	0
Financing:					
Transferred to other accounts	0	0	0	0	0
Transferred from other accounts	(5332)	(5332)	(5332)	(5332)	0
<b>Appropriation</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

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**APPROPRIATION ACCOUNT: GRANTS TO MANUFACTURERS OF WORSTED WOOL FABRICS****BUDGET ACTIVITY: IMPORT ADMINISTRATION**

For FY 2012, the International Trade Administration requests \$5,332,000 with 0 FTE.

**BASE JUSTIFICATION FOR FY 2012:**

Title V of the Trade and Development Act of 2000 created tariff rate quotas, providing reduced and duty-free treatment for a specified quantity of imports of certain worsted wool fabrics suitable for use in manufacturing certain tailored garments. Authority for the Tariff Rate Quota program has been extended several times, and now legislatively is slated to terminate at the end of 2014.

The Miscellaneous Trade and Technical Corrections Act of 2004 provided authority to the Secretary of Commerce to promote domestic employment by issuing grants to manufacturers of worsted wool fabrics. The grant program is paid for by the Wool Apparel Manufacturers Trust Fund, maintained by Treasury, which receives a portion of the duties collected from importers of certain wool products. Each year, Treasury is required to transfer approximately \$5.3M from the Trust Fund to the Commerce Department's International Trade Administration (ITA) so that ITA can distribute those funds through grants to a small number of firms in the worsted wool fabric manufacturing industry, allocated through a six-year-old formula according to each company's share of the relevant market in 1999, 2000, and 2001. The program was originally slated to expire in 2007, but has been extended multiple times, and now legislatively is slated to expire at the end of 2014.

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**Department of Commerce  
International Trade Administration  
Grants to Manufacturers of Worsted Wool Fabrics  
SUMMARY OF REQUIREMENTS BY OBJECT CLASS**  
(Dollar amounts in thousands)

Object Class	2010 Actual	2011 CR (Annualized)	2012 Base	2012 Estimate	Increase/ (Decrease)
11 Personnel compensation					
11.1 Full-time permanent	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
11.9 Total personnel compensation	0	0	0	0	0
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
23.1 Rental payments to GSA	0	0	0	0	0
23.3 Communications, utilities and miscellaneous charges	0	0	0	0	0
23.2 Rental payments to others	0	0	0	0	0
24 Printing and reproduction	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 and services from Gov't accounts	0	0	0	0	0
25.4 Operations and maintenance of facilities	0	0	0	0	0
25.7 Operations and 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	5,332	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
<b>99 Total Direct Obligations</b>	<b>5,332</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 Unobligated balance, start of year	0	0	0	0	0
Plus Unobligated balance, expiring	0	0	0	0	0
Plus Unobligated balance, end of year	0	0	0	0	0
Less Transfers from other accounts	(5,332)	(5,332)	(5,332)	(5,332)	0
Net Budget Authority	0	0	0	0	0

**Department of Commerce**  
**International Trade Administration**  
**Grants to Manufacturers of Worsted Wool Fabrics**  
**SUMMARY OF REQUIREMENTS BY OBJECT CLASS**  
(Dollar amounts in thousands)

	2010 Actual	2011 CR (Annualized)	2012 Base	2012 Estimate	Increase/ (Decrease)
<b>Personnel Data</b>					
<b>Full-Time equivalent Employment:</b>					
Full-time permanent	0	0	0	0	0
Other than full-time permanent	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Authorized Positions:</b>					
Full-time permanent	0	0	0	0	0
Other than full-time permanent	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Department of Commerce  
International Trade Administration  
Operations and Administration  
GLOSSARY OF BUDGET ACRONYMS AND TERMS**

ABC	Activity-Based Cost
AC	Advocacy Center
AD	Antidumping
AGOA	African Growth and Opportunities Act
APEC	Asia/Pacific Economic Cooperation
ASEAN	Association of Southeast Asian Nations
ATB	Adjustment to Base
ATC	American Trading Center
BEA	Bureau of Economic Analysis
BIC	Business Information Center
BY	Budget Year
CBP	Customs and Border Protection
CBS	Commerce Business System (Accounting)
CEE	Central and Eastern Europe
CEEBIC	Central and Eastern Europe Business Information Center
CFO	Chief Financial Officer
CMIC	China Market Information Center
CIT	Court of International Trade
CITA	Committee for the Implementation of Textile Agreements
CSRS	Civil Service Retirement System
CVD	Countervailing Duty
CS	Commercial Service
DAS	Deputy Assistant Secretary
DEC	District Export Council
DM	Departmental Management
DOA	Director of Administration
DOS	Department of State
ECF	Employees Compensation Fund
EFM	Export Finance Matchmaker
EPA	Environmental Protection Agency
EU	European Union
EX/AD	Executive Direction and Administration
FCC	Federal Communications Commission
FCIB	Finance, Credit and International Business
FDA	Food and Drug Administration
FDI	Foreign Direct Investment
FERS	Federal Employees Retirement System
FFMIA	Federal Financial Management Improvement Act
FFS	Federal Financial System
FICA	Federal Insurance Contribution Act

**Department of Commerce  
International Trade Administration  
Operations and Administration  
GLOSSARY OF BUDGET ACRONYMS AND TERMS**

FSN	Foreign Service National
FTA	Free Trade Agreement
FTAA	Free Trade Area of the Americas
FTE	Full Time Equivalent
FTZ	Foreign Trade Zones
FY	Fiscal Year
GATS	General Agreement on Trade in Services
GATT	General Agreement on Tariffs and Trade
GBDe	Global Business Dialogue on electronic commerce
GCC	Gulf Cooperation Council
GDI	Global Diversity Initiative
GDP	Gross Domestic Product
GPO	Government Printing Office
MOU	Memorandum of Understanding
MRA	Mutual Recognition Arrangement
NACC	North American Competitiveness Council
NAFTA	North American Free Trade Agreement
NARA	National Archives and Records Administration
NEI	National Export Initiative
NES	National Export Strategy
NME	Non-Market Economy
NSC	National Security Council
NTBs	Non-Tariff Barriers
OASDI	Old Age Survivor and Disability Insurance
OECD	Organization for Economic Cooperation and Development
OGC	Office of General Counsel
OIG	Office of Inspector General
OLIA	Office of Legislative and Intergovernmental Affairs
OMB	Office of Management and Budget
OPA	Office of Public Affairs
OPIC	Overseas Private Investment Corporation
PART	Program Assessment Rating Tool
PBViews®	Panorama Business Views
PMA	President's Management Agenda
PSC	Personal Service Contractors
QEC	Quality Enhancement and Control
REI	Rural Export Initiative
SIPS	Statutory Import Program Staff
SMEs	Small and medium-sized Enterprises
SPP	Security and Prosperity Partnership

**Department of Commerce  
International Trade Administration  
Operations and Administration  
GLOSSARY OF BUDGET ACRONYMS AND TERMS**

STOP	Strategy Targeting Organized Piracy
TABD	Transatlantic Business Dialogue
TCC	Trade Compliance Center
TCG	Textiles Consultative Group
TCI	Trade Compliance Initiative
TDA	Trade Development Agency
TIC	Trade Information Center
TNIS	Trade Negotiation Information System
TP/CS	Trade Promotion / United States & Foreign Commercial Service
TPA	Trade Promotion Authority
Trusted IC	Trusted Internet Connection
TSP	Thrift Savings Plan
TTAB	Travel and Tourism Advisory Board
U.K.	United Kingdom
USAID	U.S. Agency for International Development
USDOC	U.S. Department of Commerce
USCIS	U.S. Citizenship and Immigration Services (Formerly known as the INS)
USEAC	U.S. Export Assistance Centers
USG	United States Government
USPTO	U.S. Patent and Trademark Office
USTR	U.S. Trade Representative
WCF	Working Capital Fund
WTO	World Trade Organization

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