

International Trade Administration

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

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

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

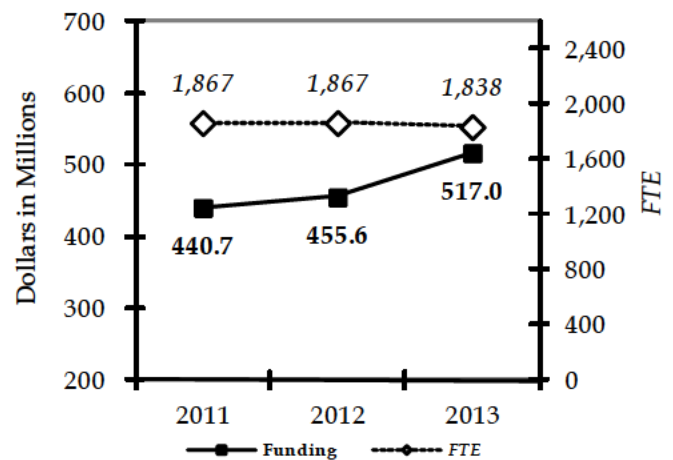
Market Access and Compliance (MAC) concentrates on the development of strategies to overcome market access obstacles faced by U.S. businesses. MAC monitors foreign country compliance with numerous trade-related agreements, works with other U.S. Government agencies to rapidly address barriers, and helps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

Import Administration (IA) helps ensure fair trade by administering the U.S. antidumping (AD) and countervailing duty (CVD) laws in a manner consistent with U.S. international obligations. IA works extensively with U.S. businesses to educate them about U.S. trade laws related to dumping and foreign government subsidies and how to access U.S. Government assistance if they are injured by those practices. IA detects, and where appropriate, confronts unfair competition by monitoring economic data from our global competitors and investigates evidence of unfair subsidization and market distortions. U.S. exports can also come under the intense scrutiny of foreign trade remedy action which can result in loss of market share or the inability of U.S. companies to ship product overseas, especially when such actions are taken based on political considerations and/or in violation of international trade rules. Accordingly, IA also advocates on behalf of U.S. exporters subject to foreign trade remedy actions. IA also administers the Foreign Trade Zones Program and programs involving imports of textiles and apparel.

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

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

Budget Authority and FTE



Summary of Appropriations

Funding Levels

	2011 <u>Actual</u>	2012 <u>Enacted</u>	2013 <u>Estimate</u>	Increase <u>(Decrease)</u>
Discretionary Appropriation				
Operations and Administration	\$440,667	\$455,561	\$517,000	\$61,439
Total, Discretionary Appropriation	440,667	455,561	517,000	61,439
Mandatory Appropriation				
Grants to Manufacturers of worsted wool fabrics	5,332	5,332	5,332	0
TOTAL BUDGET AUTHORITY	445,999	460,893	522,332	61,439
FTE				
Operations and Administration	1,845	1,836	1,807	(29)
Reimbursable	22	31	31	0
Total	1,867	1,867	1,838	(29)

Highlights of Budget Changes

Summary of Requirements

	Detailed		Summary	
	FTE	Amount	FTE	Amount
2012 Enacted			1,836	\$455,561
FY 2012 Fee Collections				9,439
FY 2012 Gross Appropriation			<u>1,836</u>	<u>465,000</u>

Adjustments to Base

Adjustments

Savings from VERA/VSIP Activity (5,907)

Other Changes

FY 2013 Pay raise	\$910		
Civil Service Retirement System (CSRS)	(170)		
Federal Employees' Retirement System (FERS)	(291)		
Thrift Savings Plan	48		
Federal Insurance Contributions Act (FICA) - OASDI	167		
Health insurance	987		
Travel - Domestic per diem	76		
Travel - Foreign per diem	156		
Travel - Mileage	9		
Rent payments to GSA	258		
HCHB Electricity	(504)		
HCHB Water	10		
Printing and reproduction	4		
Other services:			
Working Capital Fund (WCF)	606		
Commerce Business System	52		
NARA	10		
Capital Security Cost Sharing Program	(1,348)		
International Cooperative Admin. Support Services (ICASS)	369		
Non ICASS local guard service	20		
Military pouch	11		
General Pricing Level Adjustment:			
Transportation of things	10		
Rental payments to others	5		
Communications, utilities, and miscellaneous charges	14		
Other Services	808		
Supplies	22		
Equipment	69		
MDCP Grants	45		
Overseas price increases	276		
Subtotal, other cost changes			<u>0</u> <u>2,629</u>

TOTAL, ADJUSTMENTS TO BASE

2013 Base

Administrative Savings [non-add]			[2,348]
Program Changes			(29)
2013 GROSS APPROPRIATION			<u>1,807</u> <u>526,439</u>
FY 2013 Fee Collections			(9,439)
2013 NET APPROPRIATION			<u>1,807</u> <u>517,000</u>

	2012 Currently Avail.		2013 Base		2013 Estimate		Increase / Decrease	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
DIRECT OBLIGATIONS								
Manufacturing and Services	186	\$46,624	186	\$45,849	159	\$46,781	(27)	\$932
Market Access and Compliance	206	46,381	206	42,358	202	50,250	(4)	7,892
Import Administration	315	69,790	315	69,102	329	84,797	14	15,695
Trade Promotion and U.S. Foreign Commercial Service	1,021	270,280	1,021	267,674	1,059	318,177	38	50,503
Executive Direction / Administration Consolidation	108	27,271	108	27,300	103	24,995	(5)	(2,305)
					(45)	(8,000)	(45)	(8,000)
TOTAL DIRECT OBLIGATIONS	1,836	460,346	1,836	452,283	1,807	517,000	(29)	64,717
REIMBURSABLE OBLIGATIONS	31	22,090	31	22,090	31	22,090	0	0
TOTAL OBLIGATIONS	1,867	482,436	1,867	474,373	1,838	539,090	(29)	64,717
FINANCING								
Unobligated balance, start of year (direct)		(2,355)						
Unobligated balance, start of year (transferred)		(2,430)						
Offsetting collections from:								
Federal funds		(11,203)				(11,203)		
Non-Federal sources		(10,887)				(10,887)		
Subtotal, financing	0	(26,875)			0	(22,090)		
TOTAL BUDGET AUTHORITY / APPROPRIATION	1,867	455,561			1,838	517,000		

Administrative Savings

The Administration is continuing its pursuit of an aggressive government-wide effort to curb non-essential administrative spending. As a result, the Department of Commerce continues to seek ways to improve the efficiency of programs without reducing their effectiveness. Building on the International Trade Administration's administrative savings planned for FY 2012 (\$10.0 million), an additional \$2.3 million in savings is targeted for FY 2013 for a total savings in FY 2013 of \$12.3 million. For additional information see the Administrative Savings section of the Introduction to the Budget in Brief.

Highlights of Program Changes

	Base		Increase / Decrease	
	FTE	Amount	FTE	Amount
<u>Export.gov 2.0</u>	0	\$0	+15	+\$18,060

ITA is requesting an increase of 15 FTE and \$18.1 million to develop the next generation of Export.gov (Export.gov 2.0), which will integrate into a single web platform all export-related content and contacts across the 20 Federal government Trade Promotion Coordinating Committee (TPCC) agencies. The platform will enable ITA to greatly increase the number of companies it assists and equip U.S. firms with a comprehensive suite of exporting resources from across the U.S. Government. This investment will provide the technology and organizational foundation so that ITA can seamlessly deliver content and services dynamically to the BusinessUSA.gov platform.

<u>Expand overseas presence in priority markets</u>	1,021	\$267,674	+21	+\$30,293
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ITA is requesting an increase of 21 FTE and \$30.3 million to place Foreign Commercial Service Officers and the equivalent of 90 locally engaged staff in high-growth markets such as China, India, and Brazil. An expansion of these NEI priority markets will enable identification of more export opportunities for U.S. companies, more rapid and timely business counseling, and enhanced commercial diplomacy and advocacy support.

	<u>Base</u>		<u>Increase / Decrease</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
<u>SelectUSA</u>	3	\$750	+20	+\$12,250

ITA is requesting an increase of 20 FTE and \$12.3 million to support implementation of the SelectUSA program, established by Presidential Executive Order on June 15, 2011. SelectUSA will encourage, facilitate, and accelerate foreign direct investment in the United States to create jobs and spur economic growth.

<u>Trade Enforcement</u>	0	0	+22	+\$30,150
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ITA is requesting an increase of 22 FTE and \$30.2 million to enhance our overall trade enforcement capabilities and support the creation of a new trade enforcement unit that will bring together personnel from across the Federal Government, including from the Commerce Department, to reduce or eliminate unfair trade practices among our foreign trading partners.

<u>Trade Promotion Coordinating Committee</u>	3	\$673	0	\$0
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ITA proposes to reassign responsibility for the Trade Promotion Coordinating Committee (TPCC) Secretariat from the US&FCS to ExAd and move \$0.7 million and 3 FTE between the two organizations to support this action.

<u>ITA Organizational Optimization</u>	1,836	\$452,283	-62	-\$18,036
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ITA has closely examined its organization to optimize its program structure to meet the Administration's deficit reduction goals, while still supporting the National Export Initiative (NEI) efficiently and effectively. ITA is requesting a decrease of 62 FTE and \$18.0 million. As part of this effort, ITA will:

- Reduce MAS activities related to the Organization for Economic Cooperation and Development (OECD), Asia/Pacific Economic Cooperation (APEC), and standards;
- Reduce or eliminate MAS industry outreach activities, including organizing conferences, business roundtables, and seminars unrelated to NEI sector strategy implementation;
- Eliminate direct funding for the collection of travel and tourism data through the In-Flight Survey;
- Decrease MAC specialists in headquarters that combat non-tariff barriers in customs, standards, and transparency in markets that are not priorities or have a limited return on investment;
- Consolidate MAC staff to cover priority markets such as FTA partners, emerging markets such as China and India, and next tier markets such as Turkey and Indonesia that have significant trade barriers, but are poised to offer significant opportunities for U.S. firms in the near future;
- Eliminate redundant funding in MAC for the SelectUSA program which is housed in US&FCS;
- Reduce the Trade Information Center and eliminate CS marketing & communications, moving staff into the new Export.gov 2.0 environment. Decrease Advocacy Center staffing;
- Streamline ExAd operations in areas such as IT-related services, human capital, general administrative support, and reengineering business processes to be more efficient and effective.

<u>Consolidation of Organizational Structure</u>	1,836	\$452,283	-45	-\$8,000
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Since 2010, ITA has worked diligently to realign resources with NEI priorities, including: redirecting resources to key export promotion programs; optimizing our support to export-ready industries; targeting high-growth, emerging markets, including the removal of trade barriers and expanding market access; and vigorously enforcing trade rules. Going forward, we are committed to sustaining and growing these efforts and recognize the opportunity to further modernize and transform our trade programs through the development of a streamlined and consolidated organization in FY 2013. ITA proposes to realign and consolidate its organizational structure to redirect \$8 million in funding to these NEI-related priorities. This proposed consolidation will include the reduction of the number of ITA business units from four to three, reducing management oversight and administrative overhead while still supporting the NEI more efficiently and effectively.

Performance Objectives and Measures

(Dollars reflect obligations in millions)

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

	FY 2011 Actual	FY 2012 Enacted/ Targets	FY 2013 Estimate / Targets
Objective 8: Provide services to improve the competitiveness of small and medium-sized firms in manufacturing and service industries	\$51.6	\$50.2	\$43.2
Exports generated annually from public-private partnerships	\$2.5B	\$1.9B	\$467M
Annual cost savings resulting from the adoption of MAS recommendations contained in MAS studies and analysis	\$1.8B	\$250M	\$250M
Percentage reduction in the per unit cost of data distribution	1.0%	1.2%	1.4%
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)	\$331.2	\$339.3	\$372.4
Number of Commercial Diplomacy Successes (annual)	243	152	155
Percentage of clients highly likely to recommend US&FCS assistance	n/a	n/a	66%
Number of clients assisted by U.S.& Foreign Commercial Service	20,143	20,709	20,800
Dollar value of U.S. export content in advocacy cases won	n/a	\$19B	\$19.5B
Annual number of SMEs US&FCS assists in exporting to a second or additional country	3,186	3,307	3,502
Annual number of new markets that current U.S. exporters enter with Commercial Service assistance	5,721	5,921	6,121
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	\$99.1	\$99.6	\$128.8
Number of new antidumping / countervailing duty petitioners counseled	153	50	50
Percent of industry-specific trade barriers addressed that were removed or prevented	35%	20%	20%
Percent of industry-specific trade barrier milestones completed	75%	55%	55%
Percent of trade agreement milestones completed	100%	90%	90%
Number of compliance and market access cases initiated	246	239	215
Number of compliance and market access cases resolved successfully	91	91	82
Total Funding	\$481.9	\$489.1	\$544.4