

DEPARTMENT OF COMMERCE
INTERNATIONAL TRADE ADMINISTRATION
Budget Estimates, Fiscal Year 2006
President's Budget

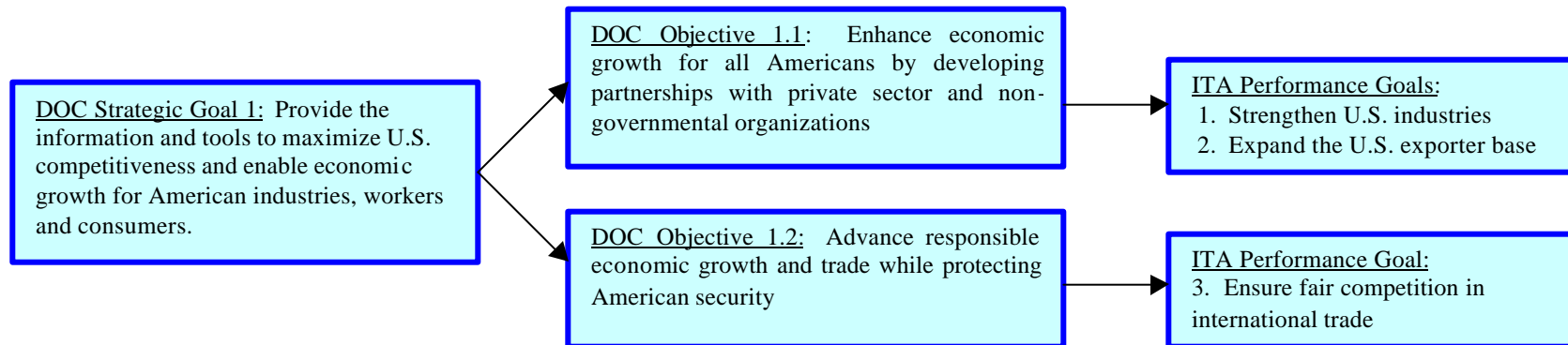
Exhibit 3a

FY 2006 ANNUAL PERFORMANCE PLAN

**International Trade Administration
Mission Statement**

To create economic opportunity for U.S. workers and firms by promoting international trade, opening foreign markets, ensuring compliance with our trade laws and agreements, and supporting U.S. commercial interests at home and abroad.

The International Trade Administration (ITA) is committed to free and fair trade by opening foreign markets through negotiations, assessing domestic and international competitiveness, promoting trade, delivering export assistance, and ensuring fair competition and compliance with international trade agreements. ITA supports the Department of Commerce's mission of creating the conditions for economic growth and opportunity by offering a variety of products and services to the U.S. exporting community. ITA's three performance goals directly tie to the Department's strategic goal and objectives. The relationship between the Department's goal and objectives and ITA's performance goals is depicted below:



In FY 2004, ITA's mission and operations were restructured to meet the demands of ITA's customers in the 21st century. Today, U.S. businesses operate in a dynamic global environment, which not only creates great opportunity, but also presents significant challenges. The President and the Secretary of Commerce look to ITA to take the lead on many critical issues of national importance. First, ITA has moved aggressively to help the Nation's manufacturers and, in 2004,

**DEPARTMENT OF COMMERCE
INTERNATIONAL TRADE ADMINISTRATION
Budget Estimates, Fiscal Year 2006
President's Budget**

established the Manufacturing and Services program. American manufacturers are a cornerstone of the American economy and enhance U.S. competitiveness while improving lives domestically and internationally. The United States is the world's leading producer of manufactured goods. Standing alone, the U.S. manufacturing sector would represent the fifth-largest economy in the world – larger than China's economy as a whole. ITA assess and tracks industry structure, operations and technology developments and advises the Secretary of Commerce and the Congress on the health of U.S. manufacturing industries, including domestic barriers resulting from governmental regulatory policies. Through analysis of both domestic and international competitiveness, ITA shapes U.S. trade policy to advance U.S. industry's interests in the global marketplace and pursues foreign governments to eliminate trade practices that distort markets for goods, capital and labor. ITA is working with U.S. industry to make inroads to major purchasers for second-tier suppliers including an outreach and matchmaking effort to potential purchasers along the U.S.-Mexico border.



“Millions of American jobs are supported by exports. That's a fact. One in five factory jobs in this country directly depend on trade. The surest way to threaten those jobs is a policy of economic isolation. The surest way to add more jobs is a confident policy, a confident economic policy that trades with the world.”

President Talks Jobs/Trade at Women's Entrepreneurship Forum
Remarks by the President at the Women's Entrepreneurship in the 21st Century Forum
Cleveland Convention Center
Cleveland, Ohio March 10, 2004

Secondly, the ITA's CS has been consolidated and modernized enabling export promotion efforts to deliver better products and services to business clients. The CS places primary emphasis on the promotion of goods and services from the United States, particularly by SMEs, and on the protection of U.S. business interests abroad. Currently, one in ten U.S. jobs depend on exports.³ U.S. CS employees work to expand the number of U.S. companies that export and the number of companies that export to more than one country. They provide high-quality services and customized solutions through a unique global network of knowledgeable trade professionals located in over 250 offices domestically and internationally. Special help is also extended to provide export assistance to rural companies and minority/women-owned firms. Additionally, the CS operates the TIC that provides a single point of customer contact to all U.S. government export assistance programs; runs the AC that supports U.S. companies bidding on major foreign contracts; and plans and coordinates U.S. Government export promotion and assistance programs through the Trade Promotion Coordinating Committee (TPCC). As the Chinese market presents unique challenges to U.S. exporters, CS staff utilizes culturally sensitive approaches to gather trade opportunities, conduct market research, and search for Chinese partner contacts. The information gathered is made available to export.gov clients.

The third critical component of ITA addresses the concern of ensuring fair trade. ITA advances trade compliance and market access outreach through its Trade Compliance Center (TCC), which works to monitor foreign countries' compliance with trade agreement obligations, addresses compliance violations promptly, and increases awareness among U.S. exporters of the rights created by these trade agreements. The Market Access and Compliance's (MAC) Investigations and

³ November 2002 White House press release on Trade Promotion Authority.

**DEPARTMENT OF COMMERCE
INTERNATIONAL TRADE ADMINISTRATION
Budget Estimates, Fiscal Year 2006
President's Budget**

Compliance program takes new and proactive measures to ensure that our trading partners honor their commitments. Staffed with experts in intellectual property rights, investigations, and intelligence, this office works closely with the USTR and the USPTO to investigate and resolve violations of U.S. negotiated trade agreements.

The Import Administration (IA) program, which enforces U.S. trade laws, is working extensively with U.S. businesses on a regular basis to help them understand U.S. trade laws related to dumping and foreign government subsidies. Appropriate actions are taken when violations have been identified. IA's Unfair Trade Practices Team tracks, detects and confronts unfair competition by monitoring economic data from U.S. global competitors and vigorously investigates evidence of unfair subsidization and production distortions. IA was able to focus and sharpen expertise on China by creating a China Compliance office that devotes more resources to China and cases and issues unique to non-market economies, such as intellectual property rights violations affecting the U.S. textile industry.

The productivity of American workers is unrivaled, yet their competitiveness can be compromised by unnatural and government imposed restraints on free and open markets. President Bush has consistently declared that free trade cannot be a one-way street. ITA is mindful of the dramatic impact of inequitable trade practices, and has marshaled all the resources at its disposal to level the playing field.

Priorities/Management Challenges

- **Manufacturing in America** –The Manufacturing in America Report, published in January 2004, acknowledges that manufacturing is vital to the Nation's economy, recognizes the unprecedented challenges to U.S. global leadership, and recommends reforms to strengthen manufacturing competitiveness. ITA is implementing the recommendations made in the Manufacturing in America Report and is fostering an environment in which U.S. firms can compete and succeed in manufacturing.
- **Global Supply Chain Initiative** – U.S. manufacturers identified a need for access to global supply chains that would take U.S. goods into the internal stream of commerce. ITA, in conjunction with the Trade Promotion Coordinating Committee (TPCC), has been tasked to develop and implement a joint, public-private global supply chain initiative to promote access for U.S. SMEs manufacturers. ITA is working with U.S. industry to make inroads to major purchasers for second-tier suppliers including an outreach and matchmaking effort to potential purchasers along the U.S.-Mexico border.
- **Standards Initiative** – Divergent standards, redundant testing and compliance procedures, and unilateral and non-transparent standard-setting processes are now recognized as major impediments for U.S. companies to free trade. It is estimated that standard issues affect 80 percent of global commodity trade. Standards issues impact SMEs particularly hard, as the costs to adjust product specifications to meet unique foreign standards often keep companies from pursuing additional new export markets and to remain cost competitive when forced to add unnecessary costs for duplicative testing. ITA will focus on trade-related standards issues, allowing the organization to support U.S. industry's desire for more analysis of emerging overseas standards issues and their effect on U.S. companies' competitiveness.
- **Trade Relationship with China** – U.S. exports have accelerated substantially, growing 15 percent in 2002 and 29 percent in 2003 and 37 percent in the first half of 2004. China is now America's fourth largest export market, after the U.K. Currently, there are almost 13,000 U.S. small and medium-sized businesses (SMEs) that export to China. Nevertheless, trade with China continues to present a number of challenges for U.S. companies. Until World Trade Organization (WTO) accession is completed in 2017, aspects of the Chinese economy are still organized under principles that are inconsistent with the WTO rules, and, since it is a non-market economy, these issues impact our trading relationship. ITA, in close coordination with USTR and other agencies, has adopted an aggressive and multi-pronged approach to ensure that China honors its WTO commitments and that U.S. companies benefit from these opportunities. Additionally, IA is

**DEPARTMENT OF COMMERCE
INTERNATIONAL TRADE ADMINISTRATION
Budget Estimates, Fiscal Year 2006
President's Budget**

focusing and sharpening expertise in China by creating a China Compliance office that devotes more resources to China and cases/issues unique to non-market economies.

- **Improved Enforcement of U.S. Trade Laws and Agreements** – ITA has built an Investigation and Compliance Unit to take new and proactive measures to ensure that our trading partners honor their commitments. ITA is analyzing market trends and foreign practices to identify potential unfair trade problems at the earliest stage possible. ITA's Unfair Trade Practices Team is monitoring economic data from global competitors and vigorously investigates evidence of unfair subsidization and production distortions.
- **Expanding Global Intellectual Property Rights (IPR) Enforcement** – IPR protection leads to improvements in productivity, and helps trigger new ideas and pushes inventors to improve existing technologies. IPR protection is an essential component of an economic foundation. To bolster existing efforts, ITA is focusing resources to enforce U.S. negotiated trade agreements, uphold the U.S. Strategy Targeting Organized Piracy (STOP) and combat violators of IPR around the world. ITA will pursue perpetrators along the entire chain, including manufacturers and importers, and will exert pressure on countries where problems are found. ITA will work with U.S. industry and coordinate with other U.S. agencies, including the USPTO and the U.S. Food and Drug Administration (FDA), to investigate allegations of piracy and to help resolve market access and trade compliance cases.
- **Data Support for Trade Negotiations and Agreements** -- In today's world, negotiating, implementing, enforcing, and justifying trade agreements is complex. ITA will continue to provide the ability to analyze statistically and interpret ever-increasing amounts of trade data to effectively model and evaluate the U.S. position at the negotiating table. The results of these negotiations and the implementation and justification of the resulting agreements affect U.S. jobs, our balance of payments, and ultimately our quality of life and our ability to export democracy around the world.

Unit Cost Measures

ITA has identified the requirements to implement an activity- based cost accounting and management system. Implementation of this system will enable ITA to further integrate budget and performance. Once ITA is in a position to identify costs for specific activities, ITA will be able to develop new performance indicators that measure unit costs. These measures can help assess productivity and can be used to manage by results because certain activities lead to attainment of performance and results. Using unit cost measures is a best practice in the private sector and is a critical step to enhance and improve ITA's operational efficiency. Development and implementation of activity-based cost accounting will be completed by FY 2008.

Program Assessment Rating Tool Reviews (PART)

FY 2005 PART Review of the U.S. and Foreign Commercial Service (CS)

On September 8, 2003, OMB provided ITA and the DOC with the final PART score for the CS program. The final CS PART score was 56% and the results were found to be adequate. ITA continues to make progress on recommendations resulting from the CS PART. CS is implementing the following actions to improve future PART scores:

- ITA is working with the CS to arrive at more accurate annual performance targets.
- ITA is working to develop accurate cost data to show how much it costs to provide certain products and services. This will move the CS towards a consistently applied pricing and marketing strategy for its services, both domestically and abroad. The CS must also determine annual and long-term metrics that would strategically direct the program towards a percentage of fee funding.
- ITA is implementing the recommendations of the ITA User Fee Study.

**DEPARTMENT OF COMMERCE
INTERNATIONAL TRADE ADMINISTRATION
Budget Estimates, Fiscal Year 2006
President's Budget**

- ITA has committed to establish a system for periodic independent evaluations of sufficient scope and quality or as needed to support program improvements and evaluate effectiveness and relevance to CS problems and needs.

FY 2006 PART Review of Market Access and Compliance (MAC) and Import Administration (IA)

The Office of Management and Budget has identified two ITA PART Reviews that will be conducted in ITA during FY 2005 for submission to OMB during the FY 2007 President's Budget cycle. A PART review will be completed on the MAC program and a PART review will be completed on the IA program.

**DEPARTMENT OF COMMERCE
INTERNATIONAL TRADE ADMINISTRATION
Budget Estimates, Fiscal Year 2006
President's Budget**

Target and Performance Summary

	FY 2001 Actual	FY 2002 Actual	FY 2003 Actual	FY 2004 Actual	FY 2005 Target	FY 2006 Target	FY 2007 Target
Performance Goal 1: Strengthen U.S. Industries							
1a. Assessment of the trade and economic analysis process ⁴	N/A	N/A	N/A	New	New	70	70
1b. Customer perception of ease of access to export and trade information and data	N/A	N/A	74	74	74 to 76	74 to 76	74 to 76

	FY 2001 Actual	FY 2002 Actual	FY 2003 Actual	FY 2004 Actual	FY 2005 Target	FY 2006 Target	FY 2007 Target
Performance Goal 2: Expand the U.S. Exporter Base							
2a. Percentage of undertaken advocacy actions completed successfully	New	11.8%	10%	13%	12% to 15%	12% to 15%	12% to 15%
2b. Number of U.S. exporters entering a new market—long-term measure	5,386	5,740	6,278	4,759	4,760 to 5,500	4,760 to 5,500	Total 31,600 ⁵ (Footnote 5)
2c. Number of U.S. firms exporting for the first time—long-term measure	742	699	896	704	700 to 850	700 to 850	Total 4,400 (Footnote 5)
2d. Number of export transactions made as a result of ITA involvement—long-term measure	11,160	12,178	14,090	11,382	11,385 to 13,500	11,385 to 13,500	Total 71,500 (Footnote 5)
2e. Percentage of CS fee funded programs—long-term measure	New	New	New	1%	2%	3%	3%

⁴ The process of developing trade and economic analyses is a capability critical to ITA's mission. Demand for this capability will continue to expand as ITA must develop even greater analytic capacity to conduct domestic and international competitiveness. It represents both a current and future ITA and DOC priority.

⁵ These are long term targets established after the CS completed a PART review. These targets represent a cumulative total of prior year fiscal actuals and current and budget year targets from FY 2001 through FY 2006.

**DEPARTMENT OF COMMERCE
INTERNATIONAL TRADE ADMINISTRATION
Budget Estimates, Fiscal Year 2006
President's Budget**

	FY 2001 Actual	FY 2002 Actual	FY 2003 Actual	FY 2004 Actual	FY 2005 Target	FY 2006 Target	FY 2007 Target
Performance Goal 3: Ensure Fair Competition in International Trade							
3a. Percentage of AD/CVD cases completed on time	New	100%	100%	100%	100%	100%	100%
3b. Number of market access and compliance cases initiated	New	253	144	161	160 to 170	150 to 160	150 to 160
3c. Number of market access and compliance cases concluded	New	New	158 ⁶	116	75 to 85	80 to 90	80 to 90

Resource Requirements Summary
(Dollars in Millions)

	FY 2001 Actual	FY 2002 Actual	FY 2003 Actual	FY 2004 Actual	FY 2005 Estimate	FY 2006 Base	Increase/ Decrease	FY 2006 Request
Performance Goal 1: Strengthen U.S. Industries								
Manufacturing and Services	\$66.5	\$69.2	\$69.9	\$52.3	\$58.3 ⁷	\$48.1	-\$0.7	\$47.4
Executive Direction/Administration	\$1.7	\$1.9	\$2.8	\$3.7	\$4.7	\$4.8	\$0	\$4.8
Total Funding	\$68.2	\$71.1	\$72.7	\$56.0	\$63.0	\$52.9	-\$0.7	\$52.2
Direct	\$66.1	\$69.8	\$70.6	\$54.3	\$61.6	\$51.5	-\$0.7	\$50.8
Reimbursable	\$2.1	\$1.3	\$2.1	\$1.7	\$1.4	\$1.4	\$0	\$1.4
IT Funding	\$4.6	\$4.4	\$4.0	\$4.0	\$4.2	\$4.3	\$0	\$4.3
FTE	382	391	402	287	309	309	0	309

⁶ In FY 2003 the number of cases concluded exceeded the number of cases initiated because the program solved simple cases first.

⁷ Includes \$9.9 M one-time funding for Travel and Tourism Board.

**DEPARTMENT OF COMMERCE
INTERNATIONAL TRADE ADMINISTRATION
Budget Estimates, Fiscal Year 2006
President's Budget**

Performance Goal 2: Expand the U.S. Exporter Base								
	FY 2001 Actual	FY 2002 Actual	FY 2003 Actual	FY 2004 Actual	FY 2005 Estimate	FY 2006 Base	Increase/ Decrease	FY 2006 Request
Commercial Service	\$208.6	\$208.6	\$212.9	\$232.4	\$236.5	241.2	\$0	\$241.2
Executive Direction/Administration	\$8.4	\$9.1	\$13.5	\$16.3	\$21.0	\$21.1	\$0	\$21.1
Total Funding	\$217.0	\$217.7	\$226.4	\$248.7	\$257.5	\$262.3	\$0	\$262.3
Direct	\$204.1	\$208.4	\$217.5	\$239.8	\$230.9	\$235.7	\$0	\$235.7
Reimbursable	\$12.9	\$9.3	\$8.9	\$8.9	\$26.6	\$26.6	\$0	\$26.6
IT Funding	\$16.4	\$14.6	\$12.5	\$17.4	\$18.2	\$18.4	\$0	\$18.4
FTE	1,361	1,290	1,273	1,352	1,521	1,521	0	1,521

Performance Goal 3: Ensure Fair Competition in International Trade								
Market Access and Compliance	\$29.5	\$37.9	\$42.2	\$33.4	\$48.1	\$39.8	\$0	\$39.8
Import Administration	\$38.7	\$45.6	\$45.4	\$69.2	\$61.7	\$62.1	\$0	\$62.1
Executive Direction/Administration	\$4.4	\$4.6	\$7.0	\$8.1	\$10.5	\$10.6	\$0	\$10.6
Total Funding	\$72.6	\$88.1	\$94.6	\$110.7	\$120.3	\$112.5	\$0	\$112.5
Direct	\$72.1	\$87.6	\$92.7	\$109.7	\$117.2	\$109.5	\$0	\$109.5
Reimbursable	\$0.5	\$0.5	\$1.9	\$1.0	\$3.1	\$3.0	\$0	\$3.0
IT Funding	\$6.2	\$6.5	\$6.0	\$7.7	\$8.1	\$8.1	\$0	\$8.1
FTE	513	574	610	602	772	772	0	772

Grand Total								
Total Funding	\$357.7	\$376.9	\$393.7	\$415.4	\$440.8	\$427.7	-\$0.7	\$427.0
Direct	\$342.2	\$365.8	\$380.9	\$403.8	\$409.8	\$396.7	-\$0.7	\$396.0
Reimbursable	\$15.5	\$11.1	\$12.8	\$11.6	\$31.0	\$31.0	\$0	\$31.0
IT Funding	\$27.2	\$25.6	\$22.5	\$29.1	\$30.5	\$30.8	\$0	\$30.8
FTE	2,256	2,255	2,285	2,242	2,602	2,602	0	2,602

**DEPARTMENT OF COMMERCE
INTERNATIONAL TRADE ADMINISTRATION
Budget Estimates, Fiscal Year 2006
President's Budget**

Skill Summary:

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

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

**DEPARTMENT OF COMMERCE
INTERNATIONAL TRADE ADMINISTRATION
Budget Estimates, Fiscal Year 2006
President's Budget**

Performance Goal 1: Strengthen U.S. Industries

Corresponding DOC Strategic Goal and Objective:

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

DOC General Goal 1/Objective 1.1: *Enhance economic growth for all Americans by developing partnerships with private sector and nongovernmental organizations*

Rationale for ITA Performance Goal 1:

As the ITA reorganized in FY 2004 in accordance with P.L. 108-199, greater focus was given on the U.S. manufacturing sector. Strengthening the U.S. manufacturing sector is a top priority for the President. The FY 2005 performance goal "Increase Trade Opportunities for U.S. Firms to Advance the U.S. International Commercial and Strategic Interest" has been redrafted to reflect the expanded goal to "Strengthen U.S. Industries." This performance goal expresses ITA's work activities that support U.S. manufacturers and service sectors.

The Manufacturing and Services (MAS) program in ITA is dedicated to strengthening the global competitiveness of U.S. industry, expanding its market access and increasing exports with a special focus on U.S. manufacturers. MAS has undertaken steps to foster an environment where U.S. industries can compete in the global markets by becoming an advocate for manufacturing in the Executive branch and coordinating efforts at all levels of government in support of manufacturing. The driving force behind these efforts is that good jobs need strong businesses. MAS consults with U.S. industry on challenges and opportunities, and combines industries' input with analysis to develop policy recommendations to promote expansion of U.S. industries exports. It sets strategic priorities for trade policy. Through analysis of trends in productivity, growth employment, and developments such as outsourcing and the importance of a global supply chain on U.S. industries' competitiveness, MAS ensures that U.S. industries priorities are represented in market access negotiations. MAS advances policies and strategies that ameliorate the negative impacts of proposed domestic rules and regulations, stimulate innovation and investment, enhance economic growth, and retain jobs in U.S. industries.



"The Bush Administration's manufacturing report recommended key pieces of legislation that are critical to ensuring that American companies succeed at home and abroad," Evans said. "The House Republican Leadership jobs legislative agenda will eliminate destructive policies so that American jobs, the manufacturing industry and the economy will grow."

*Secretary Evans Hails House Leaders Jobs Agenda
April 27, 2004*

**DEPARTMENT OF COMMERCE
INTERNATIONAL TRADE ADMINISTRATION
Budget Estimates, Fiscal Year 2006
President's Budget**

Measure 1a: Assessment of Trade and Economic Analysis

Explanation of Measure: ITA has identified an approach to measure the trade and economic analysis process and work activities performed by ITA employees. This measure directly ties to the work performed by ITA employees in strengthening U.S. industries. ITA employees conduct trade and economic analysis and assess the domestic and international cost competitiveness of American industry. They evaluate the impact of domestic and international economic policy on U.S. competitiveness. Specific activities within this measure include: developing, updating and maintaining data; accessing and extracting data from ITA systems; preparing analytical reports; responding to ad hoc internal and external customer inquiries; interacting and coordinating analysis within ITA and across agencies; enabling data utilization and knowledge sharing by the trade community; and developing internal data and analytical resources, tools and knowledge. The measurement framework is based on a series of surveys that will be used to assess whether ITA customers (stakeholders) believe that trade and economic analysis was performed on the "right things" done in the "right way" to achieve the "right results". The index scale will range from 0 to 100. One hundred would represent a "perfect" score. Survey data will be weighted into this 0-100 "index" scoring system.

FY 2006 Target:

Target consists of an estimated index score of 70. Data requirements and survey mechanisms to collect the data for the score will be implemented in FY 2005. ITA will begin to collect the feedback necessary to compile the actual index score. Target values may require adjustment in the FY 2007 Annual Performance Plan once baseline results for the index have been obtained.

Measure 1b: Customer Perception of Ease of Access to Export and Trade Information and Data

Explanation of Measure: ITA continues to enhance its product and service delivery to U.S. exporters. The measure assesses ITA customers' perception that export and trade information and data may be obtained via ITA web sites, database applications, export assistance centers, and other personal interactions with ITA personnel, in a timely and efficient manner. By monitoring ITA's performance in this regard, ITA hopes to increase the timeliness and efficiency of service delivery to U.S. businesses and improve the effectiveness of the provision of information and data for persons with disabilities. ITA believes that all customers should be able to obtain export and trade information and data quickly, accurately, and on first contact from courteous employees.

FY 2006 Target:

The FY 2006 target of 74 percent satisfied is based on survey data obtained from an ITA-wide survey conducted in FY 2003. ITA plans to conduct a customer satisfaction survey in FY 2005 to measure its progress in customer satisfaction. The FY 2006 target will be adjusted accordingly once the customer survey results are analyzed.

Program Evaluations:

The President has made manufacturing in America a top national priority. To help identify the challenges facing the American manufacturing sector, ITA participated in over 20 public roundtables. ITA also analyzed official data that helped gauge the health of the manufacturing sector and produced a report that provides an overview of the domestic and international environment facing American manufacturing, highlights the expressed view of manufacturers regarding the challenges they face, and advances policy recommendations to help ensure that government is creating the conditions necessary for U.S. manufacturers to maximize their competitiveness. ITA is taking steps to implement the recommendations that will strengthen and/or maintain industry's competitiveness and help American manufacturers compete and win in the 21st century.

**DEPARTMENT OF COMMERCE
INTERNATIONAL TRADE ADMINISTRATION
Budget Estimates, Fiscal Year 2006
President's Budget**

Crosscutting Activities:

Intra-Department of Commerce

- U.S. Patent and Trademark Office--provides support to ITA during international negotiations on intellectual property rights and advises ITA on patent and trademark issues.

Other Government Agencies

- U.S. Customs and Border Protection--Customs ensures the prompt and accurate implementation of duty collection based on ITA's decisions on antidumping or countervailing duty cases.
- Federal Aviation Administration--The Federal Aviation Administration advises ITA on strategies to address foreign regulatory barriers and security standards for transportation.
- Department of State--The Department of State's economic officers assist with market research and compliance projects in countries where the CS does not maintain or has deployed minimal commercial staff.
- Trade Promotion Coordinating Committee--TPCC coordinates implementation of trade finance and trade promotion programs of the 19 TPCC member agencies.

Government/Private Sector

The President's export council, chaired by the Secretary of Commerce, advises the President on trade policy issues. Its members include 28 chief executive officers of private-sector companies, officials of other agencies (Commerce, State, Treasury, Labor, Agriculture, Small Business Administration, Export-Import Bank, and U.S. Trade Representative), and 10 Congressional representatives. The Industry Consultations Program, which consists of 22 trade advisory committees, provides a mechanism for the U.S. business community to provide input to the government on trade policy issues.

External Factors and Mitigation Strategies

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

ITA will analyze the impact of other nations' trade policies on U.S. firms. The passage of Trade Promotion Authority offered new challenges and opportunities for the United States to open foreign markets. ITA will focus on Free Trade Agreements and the World Trade Organization, a labor-intensive component of the U.S. negotiating agenda. ITA will provide complex industry and economic analysis, conduct and support the negotiations and measure the impact of the trade agreements. ITA will also work closely with foreign governments and regulatory officials in the developing world to devise strategies to address regulatory barriers, head off potentially harmful regulations, and help shape regulations and standards that facilitate business and improve the quality of life.

**DEPARTMENT OF COMMERCE
INTERNATIONAL TRADE ADMINISTRATION
Budget Estimates, Fiscal Year 2006
President's Budget**

Performance Goal 2: Expand the U.S. Exporter Base

Corresponding DOC Strategic Goal:

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

DOC General Goal 1/Objective 1.1: *Enhance economic growth for all Americans by developing partnerships with private sector and non governmental organizations*

Rationale for ITA Performance Goal 2:

The health of the American economy depends on the America's small and medium-sized enterprises (SMEs). The CS program's mandate is to create an environment in which all U.S. firms, including SMEs, can flourish. In order to achieve this, the CS seeks to increase export opportunity awareness among U.S. companies by identifying potential exporters who need assistance, leveraging electronic and traditional media, centralizing relationships with customers, and developing alliances and partnerships to deliver export assistance. The CS operates a TIC that provides a single point of customer contact for all government export promotion programs; runs the AC that supports U.S. companies bidding on major foreign contracts; and coordinates U.S. Government export promotion and assistance programs through the TPCC. ITA's unique global network of trade professionals located in over 250 offices covering 80 countries and 47 states, plus Puerto Rico, capitalizes on high export areas identified by trade patterns and facilitates aggressive outreach to traditionally under-served rural and minority communities.

The CS helps U.S. companies take advantage of world market conditions to find new buyers around the world. A growing list of free trade agreements provides price and market access benefits. ITA offers four ways to help U.S. firms grow international sales by 1) providing world-class market research, 2) organizing trade events that promote product or service to qualified overseas buyers, 3) arranging introduction to qualified buyers and distributors, and 4) offering counseling through every step of the export process.



On April 8, the Kentucky Export Assistance Centers and Kentucky District Export Council (DEC) hosted the third in their continuing series of "Business Leadership Forums on International Trade Policy" featuring face-to-face dialogues between local businesses and Kentucky Congressional Representatives. Louisville USEAC Director John Autin joined Congressional Representative Ron Lewis in presenting an Export Achievement Certificate to Trace Die Cast, Inc., a USEAC client, which was founded in 1988, but moved decisively into exporting just 30 months ago. Trace is now selling to Canada, Mexico, the United Kingdom and Brazil, with exports totaling more than \$10 million.

Photo (L to R): Lowell Guthrie, Founder and CEO of Trace Die Cast Company; John Autin, Director/ Louisville USEAC; Congressional Representative Ron Lewis (Kentucky - 2nd District)

**DEPARTMENT OF COMMERCE
INTERNATIONAL TRADE ADMINISTRATION
Budget Estimates, Fiscal Year 2006
President's Budget**

Program Increases/Decreases:

Measure 2a: Percentage of Undertaken Advocacy Actions Completed Successfully

Explanation of Measure:

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

FY 2006 Target

Based on historical data trends, the FY 2006 target will remain 12% to 15% range.

Measure 2b: Number of U.S. Exporters Entering a New Market—Long-Term Measure

FY 2005 Target:

The target has been adjusted from a 6,200 to 6,300 range to 4,760 to 5,500 range reflecting current U.S. export trends attributable to uncertainties associated with global conditions and exporter expectations.

Explanation of Measure: This performance measure helps to assess the CS' success bringing in U.S. exporters who have exported into a new overseas market. It measures the CS' effectiveness in promoting trade. The CS records and reports on the number of U.S. exporters entering new markets that transact actual verifiable export sales, which include: shipment of goods or delivery of services; signing of legally binding agreements, including agent or distributor, representation, joint venture, strategic alliance, licensing, and franchising agreements; and signing of contracts with future sales expected for the first time.

FY 2006 Target:

The FY 2006 target is set from a 4,760 to 5,500 range of U.S. exporters entering a new market. This target predicts that the CS will help 31,600 total U.S. exporters entering a new market over a period of six years, 2001 through 2006.

Measure 2c: Number of U.S. Firms Exporting for the First Time—Long-term Measure

Explanation of Measure: The CS focuses on SMEs that are export-ready. Export-ready firms are those with competitive products or services and are firms that already possess a level of financial and managerial strength that should enable them to export. The CS will record and report on the number of U.S. firms exporting for the first time that transact an actual verifiable export sale, which includes: shipment of goods or delivery of services; signing of a legally binding agreement, including agent or distributor, representation, joint venture, strategic alliance, licensing, and franchising agreements; or signing of a contract with future sales expected for the first time.

**DEPARTMENT OF COMMERCE
INTERNATIONAL TRADE ADMINISTRATION
Budget Estimates, Fiscal Year 2006
President's Budget**

FY 2005 Target:

The annual target is adjusted from an 851 to 941 range to a 700 to 850 range as a more realistic range for reaching a long-term goal.

FY 2006 Target:

The FY 2006 target is set from 700 to 850 of U.S. firms exporting for the first time. This target will help the CS meet a long-term goal of 4,400 U.S. firms to begin exporting over a period of six years (from 2001 to 2007) from a baseline of 400,000 SMEs that currently do not export.

Measure 2d: Number of Export Transactions made as a Result of ITA Involvement—Long-term Measure

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

FY 2005 Target:

Target has been adjusted from a 13,000 to 15,000 range to an 11,385 to 13,500 range. The range reflects the impact of budgetary rescissions and the expected impact of higher prices of products and services.

FY 2006 Target:

The FY 2006 target is set at 11,385 to 13,500 range of export transactions made as a result of CS involvement.

Measure 2e: Percentage of CS Fee Funded Programs—Long-term Measure

Explanation of Measure: In the FY 2005 Budget Year (BY), ITA undertook a PART review of the CS. As a result of the review, ITA has developed a long-term measure to capture information on the CS' fee funding progress. ITA has determined that by 2007, three percent of the CS programs will be fee funded. ITA has undertaken an extensive effort to collect and supplement base program operations by revenues obtained from fees. ITA anticipates collecting \$13 Million in fees during FY 2006.

FY 2006 Target:

The FY 2006 target is set at three percent.

**DEPARTMENT OF COMMERCE
INTERNATIONAL TRADE ADMINISTRATION
Budget Estimates, Fiscal Year 2006
President's Budget**

Program Evaluations:

One of the inspections conducted in FY 2004 by the Office of Inspector General (OIG) was of the Philadelphia USEAC Network in February 2004. The review focused on management oversight, as well as the programmatic and financial operations of the USEACs that were part of the Philadelphia network during fiscal year 2003. OIG was pleased to report that the USEACs appear to be doing a good job of providing export assistance to U.S. companies and collaborating with federal, state and local trade partners to leverage trade resources. Recommendations such as enhanced controls for the verification of performance data to strengthen the management and operations of the Philadelphia USEAC Network have been reviewed and are being implemented.

Cross-cutting Activities:

Intra-Department of Commerce

- Office of General Counsel--to work together on guidance for interpreting existing agreements, defining the rights of U.S. firms and workers under U.S. and international trade law, and in negotiations for proposed FTA's and for future bilateral or multilateral agreements.

Other Government Agencies

- Small Business Administration, Export-Import Bank, State and Local Government Agencies, and Local Chambers of Commerce--to share clients and provide complementary counseling services.
- Department of Energy, Department of Transportation, and Department of Education--to provide industry expertise for ITA trade events.
- Department of Defense and U.S. Air Force--The U.S. Air Force provides industry expertise for ITA trade events involving aircraft sales (for example, the Paris Air Show).
- Department of State--the Department of State's economic officers assist with market research projects in countries where the CS does not maintain staff.
- Department of Health and Human Services--ITA works closely with HHS on helping U.S. manufacturers lower health care costs.
- Department of Labor--ITA works with the Department of Labor on worker training and employment.
- Environmental Protection Agency--ITA works with the Agency to lower burden of regulations on the U.S. industry.
- Department of Agriculture --The Department of Agriculture provides grant assistance for CS export counseling in rural areas.
- Bureau of Indian Affairs in the Department of the Interior--The Bureau of Indian Affairs provides industry expertise for ITA tourism development efforts.
- Trade Promotion Coordinating Committee--TPCC coordinates the implementation of trade finance and trade promotion programs of the 19 TPCC-member agencies.

Government/Private Sector

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

**DEPARTMENT OF COMMERCE
INTERNATIONAL TRADE ADMINISTRATION
Budget Estimates, Fiscal Year 2006
President's Budget**

External Factors and Mitigation Strategies:

ITA's success in achieving this goal depends upon domestic and international economic conditions. Economic shocks in foreign markets, and exchange rate fluctuations, can affect U.S. exports and demand for U.S. products. Availability of resources for new initiatives is subject to Congressional approval. The cooperation of other TPCC-member agencies affects the level of services provided to SMEs.

ITA has developed and is utilizing Internet web services to assist exporters. For example, Export.gov and BuyUSA.com are sites that enable SMEs to have low-cost access to online information on overseas markets. Web based export services available through the U.S. Government serve as one approach as one approach to minimize external factors. ITA's commercial officers stationed in over 250 offices throughout the United States and in 80 countries, provide key information to the U.S. business community on best prospects for U.S. exporters in various countries. Through domestic offices located in 47 states, plus Puerto Rico, ITA trade specialists work directly with U.S. businesses to tailor innovative solutions to their market and exporting needs. ITA partners with state commerce departments and economic development agencies to ensure that American exporters receive the best services and support that both federal agencies and states have to offer.

**DEPARTMENT OF COMMERCE
INTERNATIONAL TRADE ADMINISTRATION
Budget Estimates, Fiscal Year 2006
President's Budget**

Performance Goal 3: Ensure Fair Competition in International Trade

Corresponding DOC Strategic Goal:

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

DOC General Goal 1/Objective 1.2: *Advance responsible economic growth and trade while protecting American Security.*

Rationale for ITA Performance Goal 3:

U.S. industries are entitled to the benefits of trade agreements negotiated by the United States. They are also entitled to the aggressive investigation of unfair trade practices that undercut those agreements. Two program units in ITA, IA and MAC, are committed to ensuring that the U.S. firms receive those benefits and obtain prompt relief from unfair trade practices.

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

MAC tracks crucial market access and compliance problems to ensure timely engagement and resolution. Cases are classified as information requests, compliance (violation of a multilateral or bilateral trade agreement), noncompliance market access (market barriers other than compliance problems preventing or limiting a U.S. firm or industry from market entry or expansion), or commercial disputes (a U.S. company encountering problems with an existing transaction or venture). MAC's Investigations and Compliance unit takes new and proactive measures to ensure that our trading partners honor their commitments. Staffed with experts in intellectual property rights, investigations, and intelligence, this office works closely with the USTR and the USPTO to investigate and resolve violations of market-distorting practices.



“The tool that we have to press China to reform its labor standards is the designation of China as a market economy under the U.S. trade laws. As Secretary of Commerce, I’m charged with determining whether or not China meets the definition of a market economy. We all know that obtaining market economy status is a high priority for the Chinese leadership. Without this status, China is subject to more antidumping cases with higher duties on their imports.”

Statement from Commerce Secretary Donald I. Evans on America's economic relationship with China, April 28, 2004

**DEPARTMENT OF COMMERCE
INTERNATIONAL TRADE ADMINISTRATION
Budget Estimates, Fiscal Year 2006
President's Budget**

Measure 3a: Percentage of AD/CVD Cases Completed on Time

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

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

FY 2006 TARGET

The FY 2006 target of 100 percent is based on the data maintained by IA. The planned target reflects the percentage of antidumping/countervailing duty cases to be completed by the unit.

Measure 3b: Number of Market Access and Compliance Cases Initiated

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

FY 2006 TARGET

The FY 2006 target of 150 to 160 cases initiated is based on the actual number of cases initiated during FY 2004. FY 2004 performance trends point toward a lower number of case initiations by FY 2006 as the number of complaints filed by U.S. businesses encountering access problems to export markets has declined. ITA maintained a range of 160 to 170 cases for FY 2005, but believe case numbers will begin to decrease by FY 2006. ITA is taking steps to develop more effective outreach mechanisms to ensure U.S. businesses are aware of trade compliance support services. It is important to note that the complexity of cases has increased requiring more time to evaluate each case before action can take place.

Measure 3c: Number of Market Access and Compliance Cases Concluded

Explanation of Measure: This performance measure addresses ITA's efforts in obtaining market access for U.S. exporters and achieve foreign government compliance with trade agreements. The number of market access and compliance cases concluded is based on a number of cases processed by ITA where no further action by ITA is warranted—the case is successfully resolved; the complaint was groundless, i.e., no violation; industry decides not to pursue the complaint; the case

**DEPARTMENT OF COMMERCE
INTERNATIONAL TRADE ADMINISTRATION
Budget Estimates, Fiscal Year 2006
President's Budget**

is referred to USTR for consideration for formal dispute settlement resolution; or the problem cannot be resolved despite ITA efforts. Market access cases arise from complaints received by ITA from U.S. companies experiencing overseas barriers to U.S. exports that are not covered by trade agreements. Compliance cases arise from complaints received by ITA from U.S. companies regarding failures by foreign governments to implement specific terms in trade agreements negotiated by the U.S. and through monitoring efforts by ITA compliance officers.

FY 2006 TARGET

The FY 2006 target of 80 to 90 cases concluded is based on the actual number of cases concluded during FY 2004. FY 2004 performance trends point toward a lower activity by FY 2006 as targets are affected by the number of complaints filed by U.S. businesses encountering access problems to export markets. The complexities of cases will have increased by FY 2006, requiring more time before a case can be concluded because actions to conclude remaining cases will be impacted by many external factors including foreign policy implications and ability to work with other governments. These factors are predicted to impede progress of concluding some cases and the timeframes are drawn out.

Program Evaluations:

In FY 2004, the General Accounting Office initiated a review of administrative procedures, policy, and outcomes related to specific U.S. trade remedy actions used to protect domestic producers against injurious increases or surges of Chinese imports. Once the study is completed, ITA will review findings and take appropriate actions.

Crosscutting Activities:

Intra-Department of Commerce

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

Other Government Agencies

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

**DEPARTMENT OF COMMERCE
INTERNATIONAL TRADE ADMINISTRATION
Budget Estimates, Fiscal Year 2006
President's Budget**

Government/Private Sector

ITA works with U.S. small and medium-sized firms and state or local governments wherever possible in order to enable U.S. companies to take full advantage of export opportunities.

External Factors and Mitigation Strategies

Economic or currency upheavals in foreign markets can adversely affect demand for U.S. exports; changes in trade policy by foreign nations; expansion of markets just starting to open, such as that of China; and technological advances and large-scale, unexpected capital movement. ITA staff has identified and will continue to identify these changes and adopt policies that ensure fair treatment for U.S. firms and workers in overseas markets.

ITA will address the impact of other nations' trade policies. Specifically, ITA will expand our analytical infrastructure to support timely and accurate assessments of (1) the impact on U.S. industries of the growth of regional trade pacts and (2) the impact of major competitors exporting their discriminatory technical regulations to third markets in the developing world. ITA will develop strategies to support bilateral and multilateral trade negotiations that prevent the adoption of discriminatory international standards and regulations against U.S. products. ITA will also work closely with foreign governments and regulatory officials in the developing world to devise strategies to address regulatory barriers, head off potentially harmful regulations, and help shape good regulations and standards.

ITA has established an Investigations and Compliance Unit to track, detect, and confront unfair competition before it injures an industry in the United States. Many of the legal remedies available to counter unfair trade practices are costly, particularly for small and medium-sized manufacturers. ITA's goal is to focus on those trading practices that are likely to have the biggest impact on our manufacturers and ensure that they are eliminated, rather than leave these small and medium-sized manufacturers in the United States with costly trade litigation. The new Investigations and Compliance Unit will track, detect and confront unfair competition by monitoring economic data from our global competitors and vigorously investigate evidence of unfair subsidization and production distortions.

Performance goals and performance measures no longer displayed in the APP:

The number of performance goals decreased from five in FY 2005 to three in FY 2006. The ITA reorganization during FY 2004 has streamlined its performance management because ITA now operates under three major agency-specific goals. The three major agency-specific goals are more closely aligned with changes to ITA's mission. The work associated with the goals no longer reported on "customer and stakeholder satisfaction" and "helping U.S. businesses take advantage of global e-commerce" will continue to be measured. Activities and results associated with these goals will be incorporated into the three new agency-specific goals.

The goals and supporting measures listed on the following page will no longer be displayed in the Annual Performance Plans (APP). However, ITA will continue to monitor several of these measures internally.

**DEPARTMENT OF COMMERCE
INTERNATIONAL TRADE ADMINISTRATION
Budget Estimates, Fiscal Year 2006
President's Budget**

ITA Goal: Improve Customer and Stakeholder Satisfaction

Supporting performance measures:

- Customer Satisfaction with ITA's Products and Services
- Level of Awareness of ITA Products and Services
- Number of U.S. Exporter Activity Undertaken per Customer Surveyed
- Number of Customers Acquired through Proactive ITA Efforts

ITA Goal: Improve the Competitive Advantage through Global E-Commerce

Supporting performance measures:

- Number of New Subscribers Using Buy-USA.com E-Services
- Customer Perception of Portal Ease of Use
- Percentage of ITA's Significant Products and Services Provided Electronically to External Customers

Discontinued Performance Measures:

As part of ITA's effort to improve its performance management, the performance measures below will be discontinued and no longer collected after FY04. Reasons for discontinuance are described below:

- **Number of New or Enhanced ITA partnerships with Public and Private Sector Entities to Promote U.S. Exports** - The measure was discontinued because measuring the partnership build rate from an established baseline was not a critical result and obtaining the information was difficult and unreliable. (**Performance Goal 1: Strengthen U.S. Industries**)
- **Dollar Exports in Targeted Products and Markets** - The measure was discontinued because it measured a "macro-economic" trend that was not an effective indicator of ITA's involvement. (**Performance Goal 1: Strengthen U.S. Industries**)
- **Dollar Value of Completed Advocacies (U.S. Export Content)** - The measure was discontinued as a part of ITA's effort to improve measures. ITA has determined that "dollar value" data is less valid because it is influenced by the dollar exchange rate, a significant external factor. (**Performance Goal 2: Expand the U.S. Exporter Base**)

**DEPARTMENT OF COMMERCE
INTERNATIONAL TRADE ADMINISTRATION
Budget Estimates, Fiscal Year 2006
President's Budget**

Results and targets for the for discontinued measures are exhibited by ITA performance goal on the table below:

Discontinued Measure Name (By Performance Goal)	FY 2001 Actual	FY 2002 Actual	FY 2003 Actual	FY 2004 Actual	FY 2005 Target	FY 2006 Target
Performance Goal 1: Strengthen U.S. Industries						
Number of New or Enhanced ITA partnerships with Public and Private Sector Entities to Promote U.S. Exports	New	Not Implemented	88	45	Discontinued	Discontinued
Dollar Exports in Targeted Products and Markets	New	\$166.3 B	\$166.3 B	\$179 B	Discontinued	Discontinued
Performance Goal 2: Expand the U.S. Exporter Base						
Dollar Value of Completed Advocacies (U.S. Export Content)	New	\$8.64 B	\$5.9 B	\$6.5 B	Discontinued	Discontinued
Percentage of ITA's Significant Products and Services Provided Electronically to External Customers. ⁸		Not Implemented	82%	85%	Discontinued	Discontinued

⁸ This measure was a success. It is unlikely that the measure will change as ITA has already achieved results that are comparable to best in business practices.

**DEPARTMENT OF COMMERCE
INTERNATIONAL TRADE ADMINISTRATION
Budget Estimates, Fiscal Year 2006
President's Budget**

ITA DATA VALIDATION AND VERIFICATION

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

PERFORMANCE MEASURE	DATA SOURCE	FREQUENCY	DATA STORAGE	INTERNAL CONTROL PROCEDURES	DATA LIMITATIONS	ACTIONS TO BE TAKEN
Measure 1a: Trade and Economic Analysis	Survey of Stakeholders	Annually	PBViews	ITA staff will perform analysis to verify statistical results of collected data.	Limitations exist in the level of response to survey.	ITA will gauge performance of the Trade and Economic process through a mid-year internal assessment with stakeholders. Data requirements and methodology will be designed during FY 2005.
Measure 1b: Customer Perception of Ease of Access to Export and Trade Information and Data	ITA customers (U.S. exporters)	Broad survey conducted every two years. However, ITA is currently considering an approach to increase results frequency.	PBViews	ITA staff will perform analysis to verify statistical results of survey data.	Limitations exist in the level of response to survey.	ITA conducts a bi-annual customer satisfaction survey used to populate ITA's customer value performance measures every other year. ITA will adjust the FY 2006 targets once the results of the FY 2005 planned survey are known.

**DEPARTMENT OF COMMERCE
INTERNATIONAL TRADE ADMINISTRATION
Budget Estimates, Fiscal Year 2006
President's Budget**

PERFORMANCE MEASURE	DATA SOURCE	FREQUENCY	DATA STORAGE	INTERNAL CONTROL PROCEDURES	DATA LIMITATIONS	ACTIONS TO BE TAKEN
Measure 2a: Percentage of Undertaken Advocacy Actions Completed Successfully	U.S. companies that benefit from U.S. government advocacy	Annually	PBViews	The Advocacy Center conducts annual verifications with customers to confirm the dollar value of exports generated through the support of U.S. Government effort.	In some cases a host government overturns awards, and the winning U.S. company then loses the project. Quality of data is dependent on client's willingness to provide the data. Some clients elect not to provide information to ITA due to business proprietary concerns. U.S. embassies in some instances do not report all advocacy projects they have worked on in a given fiscal year.	Through a yearly verification study performed by ITA staff, ITA ensures that all completed advocacies are reported and verified in the Advocacy Center database.
Measure 2b: Number of U.S. Exporters Entering a New Market—Long-term Measure	U.S. exporters	Quarterly	Client Management System and PBViews	ITA performs quality control, including error checking and elimination of duplicates, and verifies results through peer review of verifiable documentation.	Data reported is wholly dependent on a client's willingness to provide such information and underreporting is likely.	ITA staff and the Office of Inspector General conduct verification studies. Weaknesses were identified in certain CS Export Assistance Centers internal reporting systems. Steps are being implemented to correct these weaknesses. ITA developed plans to review the collection processes.

**DEPARTMENT OF COMMERCE
INTERNATIONAL TRADE ADMINISTRATION
Budget Estimates, Fiscal Year 2006
President's Budget**

PERFORMANCE MEASURE	DATA SOURCE	FREQUENCY	DATA STORAGE	INTERNAL CONTROL PROCEDURES	DATA LIMITATIONS	ACTIONS TO BE TAKEN
Measure 2c: Number of U.S. Firms Exporting for the First Time—Long-term Measure	U.S. firms	Quarterly	Client Management System and PBViews	ITA performs quality control, including error checking and elimination of duplicates, and verifies results through peer review of verifiable documentation.	Data reported is wholly dependent on a client's willingness to provide such information and underreporting is likely.	Verification studies are conducted by ITA staff and by the Office of Inspector General. Office of Inspector General (OIG) identified weaknesses in certain CS Export Assistance Centers internal reporting systems. Steps are being implemented to correct these weaknesses. ITA developed plans to review the collection processes.
Measure 2d: Number of Export Transactions Made as a Result of ITA Involvement—Long-term Measure	U.S. exporters	Quarterly	Client Management System and PBViews	ITA performs quality control, including error checking and elimination of duplicates, and verifies results through peer review of verifiable documentation.	Data reported is wholly dependent on a client's willingness to provide such information and underreporting is likely.	Verification studies are conducted by ITA staff and by the Office of Inspector General. OIG identified weaknesses in certain CS Export Assistance Centers internal reporting systems. Steps are being implemented to corrected these weaknesses. ITA developed plans to review the collection processes.

**DEPARTMENT OF COMMERCE
INTERNATIONAL TRADE ADMINISTRATION
Budget Estimates, Fiscal Year 2006
President's Budget**

PERFORMANCE MEASURE	DATA SOURCE	FREQUENCY	DATA STORAGE	INTERNAL CONTROL PROCEDURES	DATA LIMITATIONS	ACTIONS TO BE TAKEN
Measure 2e: Percentage of CS Fee Funded Programs — Long-term measure	ITA accounting system	Annually	Document Direct, ITA accounting system	Quarterly controls conducted by DOC and are reported to OMB	Financial coding errors.	ITA is planning to implement an Activity Based Cost (ABC) Accounting and Management System to provide ITA with financial information allowing for more precise management and planning of resources, as well as, a better understanding of ITA's performance and commitment to priority activities. ITA is currently assessing the best approach to address fees.
Measure 3a: Percentage of AD/CVD Cases Completed on Time	IA cases completed in accordance with the statutory deadline	Quarterly	Data from the AD/CVD Case Management System is stored in the PBViews.	Each case is supported by final determinations, including Federal Register notices.	None.	None.
Measure 3b: Number of Market Access and Compliance Cases Initiated	Petitions from U.S. firms encountering trade barriers and compliance by foreign governments with U.S. negotiated international trade agreements	Quarterly	Data from the ITA compliance activity database maintained by the Trade Compliance Center (TCC) is stored in the PBViews.	MAC ensures system integrity and performs quality control, including error checking, elimination of duplicate cases reported, and, through peer review, verification of documentation.	A number of factors, including U.S. business cooperation, global trade trends, political developments, and the extent to which foreign governments create barriers or act inconsistently with trade obligations (an exogenous factor) will impact the actual numbers.	OIG identified errors in case data reported. ITA has taken steps to ensure that internal procedures report data accurately.

**DEPARTMENT OF COMMERCE
INTERNATIONAL TRADE ADMINISTRATION
Budget Estimates, Fiscal Year 2006
President's Budget**

PERFORMANCE MEASURE	DATA SOURCE	FREQUENCY	DATA STORAGE	INTERNAL CONTROL PROCEDURES	DATA LIMITATIONS	ACTIONS TO BE TAKEN
Measure 3c: Number of Market Access and Compliance Cases Concluded	ITA Compliance and Market Access Management System database, which contains data on U.S. firms encountering foreign trade barriers	Quarterly	Data from the ITA Compliance and Market Access Case Management System is stored in the PBViews database.	Records support each case and many of the cases have been highlighted in the Commerce Secretary's Monthly Compliance Case Report. MAC ensures the integrity of the ITA-wide Compliance and Market Access Case Management System. The Compliance and Market Access Case Management System is updated daily. Performance data is monitored and certified internally.	Number of cases "concluded" depends on the accurate tracking of case assignment and case disposal.	OIG identified errors in case data reported. ITA has taken steps to ensure that internal procedures report data accurately.