

# 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)** analyzes the domestic and international aspects of U.S. competitiveness by working with U.S. industries to evaluate the needs of the manufacturing and service sectors, conducting economic and regulatory studies aimed at strengthening U.S. industry, obtaining input and advice from U.S. industries for trade policy setting, and participating, as appropriate, with ITA trade policy and negotiation advancement initiatives.

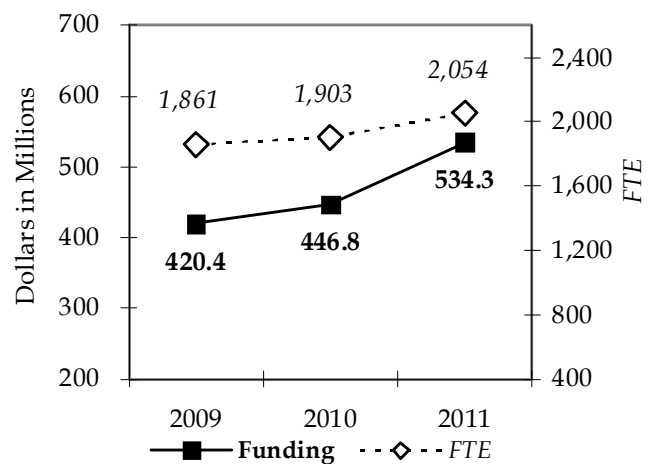
**Market Access and Compliance (MAC)** concentrates on the development of strategies to overcome market access obstacles faced by U.S. businesses. MAC monitors foreign country compliance with numerous trade-related agreements and identifies compliance problems and other market access obstacles. MAC works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

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

**Trade Promotion and the U.S. & Foreign Commercial Service (US&FCS)** broadens and deepens the base of U.S. exports, particularly small and medium-sized firms (SMEs), by conducting trade promotion programs. US&FCS provides U.S. companies with reliable advice on the range of public and private assistance available and knowledgeably supports all other Federal trade promotion services. Specifically, US&FCS assists exporters by providing information, referral and follow-up services through an integrated global field network. US&FCS includes the Trade Promotion Coordinating Committee (TPCC) secretariat. The TPCC, chaired by the Secretary of Commerce, is composed of 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

	2009 <u>Actual</u>	2010 <u>Estimate</u>	2011 <u>Estimate</u>	Increase <u>(Decrease)</u>
<b>Discretionary Appropriation</b>				
Operations and Administration	\$420,431	\$446,765	\$534,265	\$87,500
<b>Total, Discretionary Appropriation</b>	420,431	446,765	534,265	87,500
<b>Mandatory Appropriation</b>				
Grants to Manufacturers of worsted wool fabrics	5,332	5,332	0	(5,332)
<b>TOTAL BUDGET AUTHORITY</b>	425,763	452,097	534,265	82,168
<b>FTE</b>				
Operations and Administration	1,839	1,881	2,032	151
Reimbursable	22	22	22	0
<b>Total</b>	1,861	1,903	2,054	151

## Highlights of Budget Changes

### Summary of Requirements

	<u>Detailed</u>		<u>Summary</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
<b>2010 Appropriation</b>			1,881	\$446,765
FY 2010 Fee Collections				9,439
<b>FY 2010 Gross Appropriation</b>			1,881	456,204

### Adjustments to Base

#### Adjustments

Less: Unrequested increases in FY 2010 (6,500)

#### Other Changes

2010 Pay raise		\$989		
2011 Pay raise		2,451		
Payment to Working Capital Fund		180		
Full year cost in 2011 of positions financed for part year in 2010	10	882		
Implementation of Foreign Service Overseas Pay Equity Act of 2009		4,048		
Civil Service Retirement System(CSRS)		(211)		
Federal Employees' Retirement System(FERS)		1,005		
Thrift Savings Plan		60		
Federal Insurance Contributions Act (FICA) - OASDI		198		
Health insurance		815		
Employees' Compensation Fund		92		
Travel:				
Mileage		(18)		
Domestic per diem		123		
Foreign per diem		(230)		
Rent payments to GSA		210		
Electricity		349		
Postage		2		
Printing and reproduction		12		
Other services: (Itemized)				
Working capital fund		1,222		
Commerce Business System (bureau specific)		51		
NARA		6		
Capital Security Cost Sharing Program		(2,339)		
International Cooperative Admin. Support Services (ICASS)		1,649		
Non ICASS local guard service		10		
Military pouch		6		
General Pricing Level Adjustment:				
Transportation of things		13		
Rent payments to others		4		
Communications, utilities, and miscellaneous charges		15		
Other Services		136		
Supplies		12		
Equipment		39		
Overseas price increases		175		
Currency loss		(1,424)		
Subtotal, other cost changes			10	10,532
<b>TOTAL, ADJUSTMENTS TO BASE</b>			10	4,032
<b>2011 Gross Base</b>			1,891	460,236
Program Changes			141	83,468
<b>2011 GROSS APPROPRIATION</b>			2,032	543,704
FY 2010 Fee Collections				(9,439)
<b>2011 NET APPROPRIATION</b>			2,032	534,265

**Comparison by Activity**

	2010 Currently Avail.		2011 Base		2011 Estimate		Increase / Decrease	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
<b>DIRECT OBLIGATIONS</b>								
Manufacturing and Services	209	\$49,530	209	\$50,765	223	\$55,885	14	\$5,120
Market Access and Compliance	204	44,675	204	44,103	228	55,753	24	11,650
Import Administration	331	69,078	331	69,792	336	72,912	5	3,120
Trade Promotion and U.S. Foreign Commercial Service	1,041	260,373	1,051	259,974	1,148	321,052	97	61,078
Executive Direction / Administration	96	27,352	96	26,163	97	28,663	1	2,500
<b>TOTAL DIRECT OBLIGATIONS</b>	<b>1,881</b>	<b>451,008</b>	<b>1,891</b>	<b>450,797</b>	<b>2,032</b>	<b>534,265</b>	<b>141</b>	<b>83,468</b>
REIMBURSABLE OBLIGATIONS	22	19,298	22	21,298	22	21,298	0	0
<b>TOTAL OBLIGATIONS</b>	<b>1,903</b>	<b>470,306</b>	<b>1,913</b>	<b>472,095</b>	<b>2,054</b>	<b>555,563</b>	<b>141</b>	<b>83,468</b>
<b>FINANCING</b>								
Unobligated balance, start of year (direct)		(4,243)						
Offsetting collections from:								
Federal funds	(17)	(9,859)			(17)	(11,859)		
Non-Federal sources	(5)	(9,439)			(5)	(9,439)		
Subtotal, financing	(22)	(23,541)			(22)	(21,298)		
<b>TOTAL BUDGET AUTHORITY / APPROPRIATION</b>	<b>1,881</b>	<b>446,765</b>			<b>2,032</b>	<b>534,265</b>		

**Highlights of Program Changes**

	Base		Increase / Decrease	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
<u>International Trade Administration</u>	1,891	\$450,797	+131	+\$78,468

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

- Expand the overseas presence (officers and locally engaged staff) of the Commercial Service in high-growth markets such as China, India, and Brazil, and add officers in Africa, the Middle East, the Caribbean and Eastern Europe. This would enhance the global network and allow identification of more export opportunities, counsel exporters more rapidly, and provide commercial diplomacy and advocacy service.
- Increase trade compliance attaches overseas to support U.S. exporters who are experiencing impediments from unfair trade (AD/CVD) cases brought against them and/or to remove government imposed non-tariff barriers such as standards or technical barriers and subsidies, and develop and implement anti-corruption programs. Additional funds would be dedicated to the recruitment of Washington-based specialists to provide the necessary policy guidance and analytical input to overseas staff to optimize advocacy and support for U.S. exporters.
- Increase funding for innovative public-private partnerships to promote exports. Enhance public-private partnerships, including expanded outreach to the States and corporate/strategic partners, co-locate with Manufacturing Extension Partnership centers, and provide \$2.0 million for additional Market Development Cooperator Program (MDCP) grants.

- Increase outreach and guidance to SMEs that currently export to one market and are capable of entering more challenging high-growth markets (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 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 Trade Information Center to handle exporter inquiries. Increase technology and communication infrastructure/tools which includes new sites domestically and internationally (e.g. Client Tracking system, Trusted Internet Connection (TIC), on-line tool kits for SMEs, virtual trade information center, Web 2.0, redesign of Export.gov, Webcast and Videos).
- Strengthen partnerships with large supply-chain companies, to increase the focus of U.S. firms on exporting and to make information and exporting tools more readily available to second and third tier suppliers.
- Implement an export promotion plan targeted at top services sectors in export value (e.g. travel and tourism industry, construction services, etc.). Identify high-growth foreign markets for these sectors, address market barriers and track successes. Provide a benchmark of state-level services trade data to better understand the importance of services to the U.S. economy.

	<u>Base</u>		<u>Increase / Decrease</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
Market Access and Compliance	0	\$0	+10	+\$5,000

ITA is requesting an increase of 10 FTE and \$5.0 million to provide direct funding and enhance the Commercial Law Development Program (CLDP). This longstanding and successful program provides technical assistance to developing countries, helps create transparent legal systems and fair regulations that enable those countries to comply with international and bilateral trade obligations, and promotes the rule of law.

Grants to Manufacturers of Worsted Wool Products	0	\$5,332	0	-\$5,332
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ITA is requesting a decrease of \$5.3 million to eliminate grants provided as a yearly subsidy to a small number of firms in the worsted wool manufacturing industry, allocated through a six-year-old formula according to each company's share of the relevant market in 1999, 2000, and 2001. Eligible manufacturers have already received approximately \$25 million in subsidies over the past five years to invest in the productivity improvements necessary to counter increased foreign competition.

## Performance Outcomes and Measures

(Dollars reflect obligations in Millions)

ITA supports the Department's strategic goal to provide information and tools to "Maximize U.S. competitiveness and enable economic growth for American industries, workers, and consumers." 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. In addition, the ITA section of the Budget also contains additional outcomes and measures that support Outcome 2 resulting from the National Export Initiative.

	FY 2009 Actual	FY 2010 Enacted/ Targets	FY 2011 Estimate/ Targets
<b>Outcome 1: Strengthen U.S. Competitiveness in the Global Marketplace</b>	<b>\$53.0</b>	<b>\$53.5</b>	<b>\$59.9</b>
Annual cost savings resulting from the adoption of MAS recommendations contained in MAS studies and analysis	\$552M	\$350M	\$350M
Percent of industry-specific trade barriers addressed that were removed or prevented	30%	30%	30%
Percent of industry-specific trade barrier milestones completed	72%	55%	70%
Percent of agreement milestones completed	23%	100%	100%
<b>Outcome 2: Broaden and Deepen the U.S. Exporter Base</b>	<b>\$283.1</b>	<b>\$293.9</b>	<b>\$357.4</b>
Increase in the annual growth rate of total small and medium-sized (SME) exporters	4.69%	2.80%	2.85%
Percentage of advocacy bids won	11%	17%	18%
Commercial diplomacy success	196	166	172
Export success firms / active client firms (annual)	23.3%	11.0%	21.5%
US&FCS SME NTE / Total change in SME exporters (annual)	15.22%	12.74%	13.12%
Number of SME NTM firms / SME firms exporting to two to nine markets (annual)	3.49%	3.92%	5.00%
<b>Outcome 3: Identify and Resolve Unfair Trade Practices</b>	<b>\$125.2</b>	<b>\$128.3</b>	<b>\$138.2</b>
Percent reduction in trade-distorting foreign subsidy programs	1.8%	> 1.5%	> 2.0%
Percent AD/CVD determinations issued within statutory and/or regulatory deadlines	86%	90%	90%
Percent of ministerial errors in IA's dumping and subsidy calculations	8%	< 10%	< 9%
Percent of market access and compliance cases resolved successfully (reduction or elimination of the market barrier)	61%	50%	50%
Value of market access and compliance cases resolved successfully	\$25.4B	\$2.5B	\$2.5B
<b>Total:</b>	<b>\$461.4</b>	<b>\$475.7</b>	<b>\$555.5</b>