

INTERNATIONAL TRADE ADMINISTRATION



INTERNATIONAL
T R A D E
ADMINISTRATION

BUDGET ESTIMATES

FISCAL YEAR 2011

CONGRESSIONAL SUBMISSION

PRIVILEGED

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**Department of Commerce
International Trade Administration
Budget Estimates, Fiscal Year 2011
President's Submission
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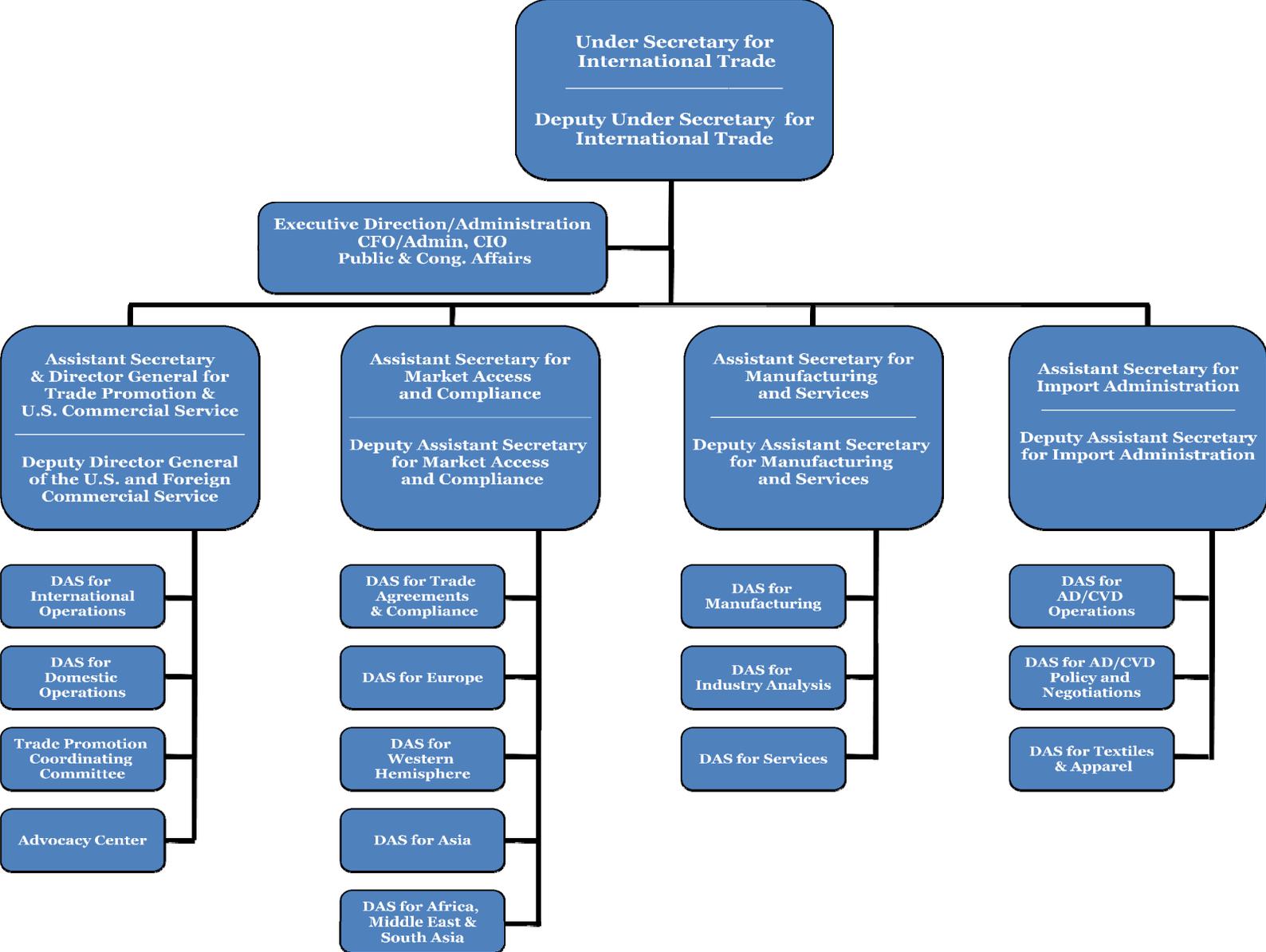
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ORGANIZATION STRUCTURE



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Executive Summary

FY 2011 President's Budget Submission

WHY INTERNATIONAL TRADE?

The volume of trade in products and services throughout the world is astounding. According to the International Monetary Fund more than \$20 trillion of goods and services will be exchanged among nations this year. In 2008, the United States exported an amazing \$1.83 trillion worth of goods and services and exports grew by 11.1 percent.

More than ever before, our economy is dependent on the global economy. Nowhere are the impacts of exports more important than in domestic job creation. The latest available employment numbers indicate that the number of U.S. jobs dependent on manufactured exports was roughly 6 million in 2006, representing nearly one out of every 20 private sector jobs. Services exports – including education, business services, information services, entertainment, international tourism to the United States, and construction and engineering – have also contributed to job creation. For example, recent estimates indicate that international travelers to the United States support roughly 1.1 million domestic jobs. Dr. Lawrence H. Summers, Director of the National Economic Council and Assistant to the President for Economic Policy, recently said, *“The rebuilt American economy must be more export-oriented....”* (Peterson Institute for International Economics speech, June 17th, 2009) By focusing on exports, the United States not only helps strengthen the long-term health of U.S. industries, but also further stimulates domestic job creation.

WHERE DOES THE INTERNATIONAL TRADE ADMINISTRATION FIT IN?

While the critical relationship between exports and economic growth is generally understood, the opportunities for enhancing U.S. exports, particularly by small and medium-sized firms, are not always fully appreciated or understood. Speaking before the Washington International Trade Association (WITA), Secretary of Commerce Gary Locke stated, *“Trade has always been crucial to American prosperity. And it has assumed an even greater significance in the current economic climate, as other sources of growth, like consumer spending have deteriorated. President Obama, and we at the Commerce Department see real opportunities to grow U.S. exports, across our entire economy – from large corporations to small and medium-sized businesses.”* (WITA dinner speech, July 22, 2009) The International Trade Administration fills the important role of helping American businesses take advantage of those opportunities.

The mission of the International Trade Administration (ITA) is to enable U.S. firms and workers to compete and win in the global marketplace and to create prosperity by strengthening the competitiveness of U.S. industry, promoting trade and investment, and ensuring fair trade and compliance with trade laws and agreements. As the global economy begins to recover, U.S. businesses, with ITA's help, must be better positioned to respond to new demand from every region of the world.

With this budget submission, ITA proposes a multi-faceted strategy to better position U.S. companies in the global marketplace. This strategy leverages ITA's network of trade specialists across the United States and in more than 77 countries around the world, as well as its industry and trade policy analysts based in Washington, to help U.S. firms become more globally competitive by dismantling trade barriers and facilitating the expansion of exports.

ITA is highly involved in the major facets of successful international trade: analysis of domestic industry competitiveness, export promotion and advocacy, increasing access to foreign markets, trade agreements monitoring and compliance, and administration of U.S. trade laws. In order for U.S. companies, especially small and medium-sized enterprises (SMEs), to export for the first time, break into new markets, or expand their current export footprint, they need focused and tailored assistance to become more competitive and pursue international sales opportunities. They need help addressing the many barriers to trade that limit their ability to do business overseas. They also need assurance that the trade laws of our nation will be vigorously enforced to ensure a level playing field. ITA experts provide these services to U.S. firms.

In fulfilling its uniquely governmental function, ITA promotes trade and investment by providing counseling and advocacy through the export process, supplying industry with market research, facilitating international partner searches, and conducting trade events and related services. While ITA assists businesses of all types and sizes, and partners with larger service-oriented companies who act as force multipliers to get critical information about exporting opportunities into the hands of those who need it, ITA's primary focus is on assisting small and medium-sized enterprises' participation in the global marketplace.

ITA resolves unfair trade practices by identifying and overcoming trade barriers, ensuring foreign compliance with trade agreements, and enforcing U.S. trade laws through programs such as the Trade Compliance Center and the administration of U.S. antidumping (AD) and countervailing duty (CVD) laws.

ITA seeks to improve U.S. industry competitiveness by identifying barriers and analyzing the competitive and economic impact of certain domestic regulations. ITA coordinates public-private sector committees that represent most sectors of the U.S. economy and provides input both to trade policy negotiations and in shaping economic domestic policies.

Resource Request

For FY 2011, the ITA requests budget authority of \$534.3 million and 2,032 Full-time Equivalent positions (FTE) in the Operations and Administration account. This funds core operations with an \$87.5 million increase over the FY 2010 Appropriation. This budget represents the first step in a multi-year effort.

Adjustments to Base (ATB): \$4.0 million

The FY 2011 ATB request provides a net \$4.0 million to fund uncontrollable inflationary adjustments.

National Export Initiative: \$78.5 million

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

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

The National Export Initiative has the potential to make a significant contribution to economic growth in the U.S. and to stimulate domestic job creation. By increasing the number of U.S. firms that export and enabling

them to increase their volume of exports, new jobs will be created. Those jobs will be associated with higher wages, and U.S. companies will be better able to compete in the expanding global marketplace.

Commercial Law Development Program (CLDP): \$5.0 million

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

Grants to Manufacturers of Worsted Wool Products: -\$5.3 million

ITA is requesting a decrease of \$5.3 million to eliminate a separate account that provides yearly subsidy grants 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.

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FY 2011 Annual Performance Plan

International Trade Administration

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Section 1. Mission

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

Section 2. Corresponding DOC Strategic Goal and Objective/Outcome

DOC Strategic Goal 1: Maximize U.S. competitiveness and enable economic growth for American industries, workers, and consumers

DOC Objective 1.1: Foster domestic economic development as well as export opportunities

ITA Performance Outcomes:

1. Enhance U.S. Competitiveness in Domestic and International Markets
2. Broaden and Deepen the U.S. Exporter Base

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

ITA Performance Outcomes:

3. Identify and Resolve Unfair Trade Practices

DOC Management Integration Goal: Achieve organizational and management excellence

ITA Management Integration Outcome:

Achieve organizational and management excellence

Rationale:

ITA supports the Department of Commerce's (DOC) mission of creating "the conditions for economic growth and opportunity." ITA works with other Federal agencies by advancing trade policy initiatives to provide U.S. companies with market access in foreign countries. ITA's domestic and international staff works with an extensive network of public and private partnerships to open foreign markets, provide export opportunities for U.S. companies, and protect U.S. interests abroad. ITA's three performance outcomes¹ tie directly to DOC's strategic goals and objectives. ITA's management integration outcome ties directly to the DOC's Management Integration Goal.

This FY 2011 Annual Performance Plan (APP) reflects ITA's shift towards a more strategic organization that responds to client concerns and demands in an effective manner. This APP focuses on more effective planning and organizational management as described under ITA's management challenges section (See Section 4 of this APP). This plan also reflects the strategic direction outlined in ITA's FY 2007-FY 2012 Strategic Plan through which ITA aims to improve all aspects of U.S international economic interests.

Section 3. Priorities/Management Challenges

As part of developing the FY 2011 Budget and Annual Performance Plan, ITA has identified the following high priority performance goal, in support of Administration and Departmental priorities, that will be a particular focus for the remainder of FY 2010 and for FY 2011:

Export Opportunities: Increase the annual number of SMEs the Commercial Service successfully assists in exporting to a 2nd or additional country by 40% from FY 2009 to FY 2011.

In addition, Departmental Management (DM) has exercised oversight for Department-wide policies and procedures and works with ITA's Chief Financial Officer (CFO) and Chief Information Officer (CIO) to implement key government-wide management initiatives intended to achieve a citizen-centered, results-oriented, and market-based government.

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

During the period of its current strategic plan from FY 2007 through FY 2012, ITA intends to:

- Improve financial management effectiveness;
- Ensure property and asset accountability;
- Strengthen the protection of personal information;
- Position human capital as a strategic asset;
- Strengthen strategic planning;
- Establish client-focused/mission-driven IT systems and data integration;
- Optimize organizational flexibility and management capabilities; and

¹ It is important to note that ITA has shifted from four performance outcomes to three. ITA discontinued reporting on "Increase exports to commercially significant markets including FTA countries, China and India" since the performance metrics were based on substantial external factors not controlled by ITA or the Department. For this reason, the metrics associated with that outcome were not indicative of either the Department's or ITA's performance.

- Develop analytic and evaluative capabilities to engage the organization in continuous improvement efforts.

Several of the stated management challenges will impact the FY 2011 budget including IT information security enhancements, changes to DOC systems (such as implementation of an integrated e-travel system), upgrades to the DOC's automated acquisition system, and identification of security upgrades for ITA employees as required by Homeland Security Presidential Directive-12 (HSPD-12).

Section 4. Target and Performance Summary Table

Outcome 1 – Enhance U.S. Competitiveness in Domestic and International Markets						
Measure 1A: Annual cost savings resulting from the adoption of MAS recommendations contained in MAS studies and analysis (long-term/annual)	FY 2006 Actual	FY 2007 Actual	FY 2008 Actual	FY 2009 Actual	FY 2010 Target	FY 2011 Target
	\$287M	\$413M	\$455M	\$552M	\$350M	\$350M
<p>Description: This measure captures the work of Manufacturing and Services analysts who evaluate the upstream and downstream impacts of various regulations on U.S. manufacturers and service providers in order to reduce the cost of regulation and produce cost savings for the industry. During FY 2008, MAS provided analysis and comments on the Environmental Protection Agency’s (EPA) Spill Prevention, Control, and Countermeasures (SPCC I) rule resulting in cost savings to industries regulated by that rule. Several other rules, including EPA’s Definition of Solid Waste, the Department of Transportation’s (DOT) Side Impact, and Federal Aviation Administration’s (FAA) Aeronautical Parts Marking (APM) are under MAS review.</p>						
<p>Comments on Changes to Targets: At present, FY 2010 and FY 2011 targets are aligned to historical performance. The NEI funding increase does not impact regulatory studies; therefore ITA shows no change in the target for this measure.</p>						
Relevant Program Change(s): None	Title: N/A					Exhibit 13 Page no: N/A
Validation and Verification						
Data Source	Frequency	Data Storage	Internal Control Procedures	Data Limitations	Actions to be Taken	
MAS Analytical Reports and Studies	Annual	MAS Planning Coordination and Management Office Records	ITA utilizes Inspector General reviews, the annual independent financial audits and DOC/ITA verification and validation reviews to assess actual measure data.	A number of factors, including U.S. business cooperation, global trade trends, political developments, and other federal regulatory agencies may impact actual cost savings.	None	

Outcome 1 – Enhance U.S. Competitiveness in Domestic and International Markets						
Measure 1B: Percent of industry-specific trade barriers that were removed or prevented (long-term)	FY 2006 Actual	FY 2007 Actual	FY 2008 Actual	FY 2009 Actual	FY 2010 Target	FY 2011 Target
	N/A	New	29%	30%	30%	30%
<p>Description: This measure quantifies over a five-year period, the success of MAS’s involvement in removing industry-specific foreign trade barriers. This enables U.S. companies to bring more of their products and services to previously closed foreign markets. This measure captures the outcome of MAS’s efforts to address barriers in foreign markets such as labeling requirements, foreign restrictions on U.S. investment, and spurious foreign standards.</p>						
<p>Comments on Changes to Targets: At present, FY 2010 and FY 2011 targets are aligned to historical performance. The NEI funding increase does not impact regulatory studies; therefore ITA shows no change in the target for this measure.</p>						
Relevant Program Change(s): None	Title: N/A					Exhibit 13 Page no: N/A

Validation and Verification					
Data Source	Frequency	Data Storage	Internal Control Procedures	Data Limitations	Actions to be Taken
MAS Sector Analyst	Long-Term	PBViews®	ITA utilizes Inspector General reviews, the annual independent financial audit, and DOC/ITA verification and validation reviews to assess actual measure data.	A number of factors, including U.S. business cooperation, global trade trends, political developments, and the extent to which foreign governments create barriers or act inconsistently with trade obligations (an exogenous factor) may impact the number of barriers removed.	None

Outcome 1 – Enhance U.S. Competitiveness in Domestic and International Markets						
Measure 1C: Percent of industry-specific trade barrier milestones completed (annual)	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
	Actual	Actual	Actual	Actual	Target	Target
	81%	54%	73%	72%	55%	70%
Description: This measure reports on the success of MAS to target and remove industry-specific trade barriers. MAS measures its long term outcomes through the removal or prevention of industry specific barriers (See Measure 1B). Key milestones track annual progress toward removal or elimination of each identified barrier. Barriers have been identified by U.S. industry and assessed by MAS program staff to determine their commercial and strategic value.						
Comments on Changes to Targets: At present, FY 2010 and FY 2011 targets are aligned to historical performance. The NEI funding increase does not impact regulatory studies; therefore ITA shows no change in the target for this measure.						
Relevant Program Change(s): None		Title: N/A				Exhibit 13 Page no: N/A
Validation and Verification						
Data Source	Frequency	Data Storage	Internal Control Procedures	Data Limitations	Actions to be Taken	
MAS Sector Analyst	Annual	PBViews®	ITA utilizes Inspector General reviews, the annual independent financial audit and DOC/ITA verification and validation reviews to assess actual measure data.	These industry specific trade barrier milestones are occasionally subject to externalities such as delays in trade meetings with foreign governments. These factors may accelerate or impede milestone completion.	None	

Outcome 1 – Enhance U.S. Competitiveness in Domestic and International Markets						
Measure 1D: Percent of agreement milestones completed (Annual)	FY 2006 Actual	FY 2007 Actual	FY 2008 Actual	FY 2009 Actual	FY 2010 Target	FY 2011 Target
		100%	100%	70%	23%	100%
<p>Description: This performance measure captures the work of MAS industry analysts and trade negotiators who work on multi-year free trade agreements that benefit U.S. exporters and are intended to enhance U.S. competitiveness. These agreement milestones ensure that MAS’s efforts are aligned to the President’s Trade Agenda, to the Department’s Manufacturing Initiative and to its Standards Initiatives. These milestones assist in tracking the MAS program’s progress toward accomplishing key tasks that strengthen domestic and international competitiveness. The FY 2008 actual is 70% because key agreements were suspended by the Administration. MAS uses milestones to measure its performance on free trade agreements. For each agreement, there are 12 milestones that cover MAS work from the initiation of an agreement until it is completed. The metric used to measure performance is the percent of targeted milestones completed. For example a metric of 100% means that all targeted milestones for all agreements were completed. They FY 2009 actual is noticeably lower than the FY 2008 actual because the negotiated agreements were put on hold. To date, there has only been on agreement announced.</p>						
<p>Comments on Changes to Targets: At present, FY 2010 and FY 2011 targets are aligned to historical performance. The NEI funding increase does not impact regulatory studies; therefore ITA shows no change in the target for this measure.</p>						
Relevant Program Change(s): None	Title: N/A					Exhibit 13 Page no: N/A
Validation and Verification						
Data Source	Frequency	Data Storage	Internal Control Procedures	Data Limitations	Actions to be Taken	
MAS Sector Analyst	Annual	MAS Planning, Coordination and Management Office Records	ITA utilizes Inspector General reviews, the annual independent financial audit, and DOC/ITA verification and validation reviews to assess actual measure data.	These agreement milestones are occasionally subject to externalities such as delays in trade meetings with foreign governments that may accelerate or impede milestone completion.	None	

Outcome 2 – Broaden and Deepen the U.S. Exporter Base						
Measure 2A: Increase in the annual growth rate of total small and medium-sized (SME) exporters	FY 2006 Actual	FY 2007 Actual	FY 2008 Actual	FY 2009 Actual	FY 2010 Target	FY 2011 Target
		N/A	New	New	4.69%	2.80%
<p>Description: The measure assesses the program's success at increasing the number of SME firms exporting. Data collected by the U.S. Census Bureau (Census) on the total number of SME exporters shows an average year-to-year growth rate of 2.52 percent between 2003 and 2006. The U.S. & Foreign Commercial Service (US&FCS) proposes and to raise the average growth rate to 3 percent over the next five years. The US&FCS considers this to be an ambitious, but achievable long-term target. The NEI funding increases will be</p>						
<p>Comments on Changes to Targets: At present, the FY 2010 target is aligned to historical performance.</p>						
Relevant Program Change(s):	Title: National Export Initiative					Exhibit 13 Page no: ITA – 37

Validation and Verification					
Data Source	Frequency	Data Storage	Internal Control Procedures	Data Limitations	Actions to be Taken
U.S. Census Bureau	Long-Term	PBViews®	ITA utilizes Inspector General reviews, the annual independent financial audit, and DOC/ITA verification and validation reviews to assess actual measure data.	ITA remains dependent on Census reporting schedules. Delays in Census reporting can result in a lag in calculating ITA performance outcomes.	None

Outcome 2 – Broaden and Deepen the U.S. Exporter Base						
Measure 2B: Percentage of advocacy bids won	FY 2006 Actual	FY 2007 Actual	FY 2008 Actual	FY 2009 Actual	FY 2010 Target	FY 2011 Target
		N/A	N/A	New	11%	17%
Description: This measure illustrates US&FCS effectiveness in winning bids by comparing the number of advocacy client successes over time to the US&FCS average annual advocacy caseload. Improvement in this long-term success rate is an indicator that US&FCS advocacy efforts are increasingly effective at ensuring that U.S. business interests receive fair treatment in foreign markets.						
Comments on Changes to Targets: At present, the FY 2010 target is aligned to historical performance.						
Relevant Program Change(s):	Title: National Export Initiative				Exhibit 13 Page no: ITA – 37	

Validation and Verification					
Data Source	Frequency	Data Storage	Internal Control Procedures	Data Limitations	Actions to be Taken
U.S. Census Bureau	Long-Term	PBViews®	ITA utilizes Inspector General reviews, the annual independent financial audit, and DOC/ITA verification and validation reviews to assess actual measure data.	ITA remains dependent on Census reporting schedules. Delays in Census reporting can result in a lag in calculating ITA performance outcomes.	None

Outcome 2 – Broaden and Deepen the U.S. Exporter Base						
Measure 2C: Commercial Diplomacy Success (annual)	FY 2006 Actual	FY 2007 Actual	FY 2008 Actual	FY 2009 Actual	FY 2010 Target	FY 2011 Target
		New	71	181	196	166
Description: This measure captures the results of US&FCS front-line diplomatic engagement with foreign governments based on actions directed towards a foreign government in support of a U.S. company or the U.S. national economic interest. In order to qualify as a success, this engagement requires an action by the foreign government, and an outcome that benefits a U.S. company or the U.S. national economic interest. It serves as a valuable tool to gauge US&FCS performance in its government-to-government work and captures a critical component of the program’s fundamental mandate to protect U.S. business interests abroad.						
Comments on Changes to Targets: At present, the FY 2010 target is aligned to historical performance.						
Relevant Program Change(s):	Title: National Export Initiative					Exhibit 13 Page no: ITA – 37
Validation and Verification						
Data Source	Frequency	Data Storage	Internal Control Procedures	Data Limitations	Actions to be Taken	
ITA Compliance & Market Access Management System database	Annual	ITA Client Tracking System case database and PBViews®	ITA utilizes Inspector General reviews, the annual independent financial audit, and DOC/ITA verification and validation reviews to assess actual measure data. In addition, each month, Commercial Service officers review case data relevant to their areas in the ITA Client Tracking System case database.	Data reported is wholly dependent on a client’s willingness to provide such information and underreporting is likely.	None	

Outcome 2 – Broaden and Deepen the U.S. Exporter Base						
Measure 2D: Export Success Firms/Active Client Firms (Annual)	FY 2006 Actual	FY 2007 Actual	FY 2008 Actual	FY 2009 Actual	FY 2010 Target	FY 2011 Target
		N/A	N/A	New	23.3%	11.0%
Description: This measure illustrates US&FCS annual change in effectiveness in helping active clients achieve export success by comparing the number of firms successfully exporting to the number of firms helped by US&FCS.						
Comments on Changes to Targets: At present, the FY 2010 target is aligned to historical performance.						
Relevant Program Change(s):	Title: National Export Initiative					Exhibit 13 Page no: ITA – 37
Validation and Verification						
Data Source	Frequency	Data Storage	Internal Control Procedures	Data Limitations	Actions to be Taken	
U.S. Exporters	Annual	Client Management System	ITA utilizes Inspector General reviews, the annual independent financial audit, and DOC/ITA verification and validation reviews to assess actual measure data.	Data reported is wholly dependent on a client’s willingness to provide such information and underreporting is likely.	None	

Outcome 2 – Broaden and Deepen the U.S. Exporter Base						
Measure 2E: US&FCS SME NTE/Total change in SME exporters (annual)	FY 2006 Actual	FY 2007 Actual	FY 2008 Actual	FY 2009 Actual	FY 2010 Target	FY 2011 Target
	N/A	N/A	New	15.22%	12.74%	13.12%
Description: This measure demonstrates US&FCS’s ability to engage potential exporters and help them better negotiate the barriers to achieve export success. This is measured by comparing the number of SME New-to-Export firms assisted by US&FCS to the total change in SME exporters nationwide, as reported by the U.S. Census Bureau.						
Comments on Changes to Targets: At present, the FY 2010 target is aligned to historical performance.						
Relevant Program Change(s):	Title: National Export Initiative				Exhibit 13 Page no: ITA – 37	
Validation and Verification						
Data Source	Frequency	Data Storage	Internal Control Procedures	Data Limitations	Actions to be Taken	
U.S. Census Bureau	Annual	Client Management System	ITA utilizes Inspector General reviews, the annual independent financial audit, and DOC/ITA verification and validation reviews to assess actual measure data.	ITA remains dependent on Census reporting schedules. Delays in Census reporting can result in a lag in calculating ITA performance outcomes.	None	

Outcome 2 – Broaden and Deepen the U.S. Exporter Base						
Measure 2F: Number of SME NTM firms/SME firms exporting to two to nine markets (annual)	FY 2006 Actual	FY 2007 Actual	FY 2008 Actual	FY 2009 Actual	FY 2010 Target	FY 2011 Target
	N/A	N/A	New	3.49%	3.92%	5.00%
Description: This measure focuses on US&FCS’s ability to help existing exporters overcome the barriers required to expand into multiple markets by comparing the number of SME New-to-Market firms assisted by US&FCS to SME firms exporting in two to nine markets, as reported by the Census Bureau.						
Comments on Changes to Targets: At present, the FY 2010 target is aligned to historical performance.						
Relevant Program Change(s):	Title: National Export Initiative				Exhibit 13 Page no: ITA – 37	
Validation and Verification						
Data Source	Frequency	Data Storage	Internal Control Procedures	Data Limitations	Actions to be Taken	
U.S. Census Bureau	Annual	Client Management System	ITA utilizes Inspector General reviews, the annual independent financial audit, and DOC/ITA verification and validation reviews to assess actual measure data.	ITA remains dependent on Census reporting schedules. Delays in Census reporting can result in a lag in calculating ITA performance outcomes.	None	

Outcome 3– Identify and Resolve Unfair Trade Practices						
Measure 3A: Percentage reduction in trade-distorting foreign subsidy programs (long-term)	FY 2006 Actual	FY 2007 Actual	FY 2008 Actual	FY 2009 Actual	FY 2010 Target	FY 2011 Target
	N/A	New	1.6%	1.8%	>1.5%	>2%
Description: The Import Administration (IA) has identified approximately 200 unfair trade practices. The measure tracks IA's efforts to monitor and address unfair trade practices through negotiation or by remedies provided under World Trade Organization (WTO) agreements or U.S. law. Many of the practices identified include preferential tax laws and subsidy programs.						
Comments on Changes to Targets: ITA expects to reach 3% by FY 2012. At present, FY 2010 and FY 2011 targets are aligned to historical performance. The NEI funding increase does not impact this measure; therefore ITA shows no change in the target for this measure.						
Relevant Program Change(s): None	Title: N/A					Exhibit 13 Page no: N/A
Validation and Verification						
Data Source	Frequency	Data Storage	Internal Control Procedures	Data Limitations	Actions to be Taken	
U.S. and foreign companies' financial statements	Long-Term	Data from the AD/CVD Case Management System and PBViews®	Each case is supported by final determinations, including Federal Register notices. ITA utilizes Inspector General reviews, the annual independent financial audit, and DOC/ITA verification and validation reviews to assess actual measure data.	None	None	

Outcome 3 – Identify and Resolve Unfair Trade Practices						
Measure 3B: Percent of AD/CVD determinations issued within statutory and/or regulatory deadlines (long-term/annual)	FY 2006 Actual	FY 2007 Actual	FY 2008 Actual	FY 2009 Actual	FY 2010 Target	FY 2011 Target
	92%	89%	92%	86%	90%	90%
Description: This measure compares the number of determinations issued within statutory and/or regulatory deadlines to the total number of determinations issued consistent with the AD/CVD laws and regulations of the United States and international obligations. Nearly all of these determinations are published in the Federal Register.						
Comments on Changes to Targets: At present, FY 2010 and FY 2011 targets are aligned to historical performance. The NEI funding increase does not impact this measure; therefore ITA shows no change in the target for this measure.						
Relevant Program Change(s): None	Title: N/A					Exhibit 13 Page no: N/A

Validation and Verification					
Data Source	Frequency	Data Storage	Internal Control Procedures	Data Limitations	Actions to be Taken
IA cases completed in accordance with the statutory deadline	Long-Term/ Annual	Data from the AD/CVD Case Management System and PBViews®	Each case is supported by final determinations, including Federal Register notices. ITA utilizes Inspector General reviews, the annual independent financial audit, and DOC/ITA verification and validation reviews to assess actual measure data.	None	None

Outcome 3 – Identify and Resolve Unfair Trade Practices						
Measure 3C: Percent of ministerial errors in IA’s dumping and subsidy calculations (Long-Term/Annual)	FY 2006 Actual	FY 2007 Actual	FY 2008 Actual	FY 2009 Actual	FY 2010 Target	FY 2011 Target
		8%	8%	10%	8%	<10%
Description: This measure reflects IA’s efforts to minimize/eliminate ministerial errors committed in the calculation of the dumping margins and subsidy rates that are published as preliminary or final determinations in investigations or published as final results in administrative reviews in the Federal Register. The importing public relies on accurate margins in order to estimate the amount of duties they may be responsible for and uses these margins to make business decisions. Foreign exporters rely on accurate margins in order to adjust their business practices to eliminate dumping. U.S. producers require accurate margins in order to make business decisions and remain competitive.						
Comments on Changes to Targets: At present, FY 2010 and FY 2011 targets are aligned to historical performance. The NEI funding increase does not impact this measure; therefore ITA shows no change in the target for this measure.						
Relevant Program Change(s): None	Title: N/A				Exhibit 13 Page no: N/A	

Validation and Verification					
Data Source	Frequency	Data Storage	Internal Control Procedures	Data Limitations	Actions to be Taken
U.S. Customs	Annual/ Long-Term	Data from the AD/CVD Case Management System and PBViews®	Case reviews for errors by senior management. Also, ITA utilizes Inspector General reviews, the annual independent financial audit, and DOC/ITA verification and validation reviews to assess actual measure data.	None	None

Outcome 3 – Identify and Resolve Unfair Trade Practices						
Measure 3D: Percentage of Market Access and Compliance cases resolved successfully (Long-Term/Annual)	FY 2006 Actual	FY 2007 Actual	FY 2008 Actual	FY 2009 Actual	FY 2010 Target	FY 2011 Target
		47%	52%	41%	61%	50%
Description: This measure shows the number of cases concluded successfully by ITA as a percentage of completed cases in a given period that are designated as having resulted in success. This measure ensures MAC staff works to achieve outcomes that meet the client expectations and does not simply close cases. It measures the effectiveness of the organization to remove foreign trade barriers (or prevent their implementation) on behalf of U.S. industries.						

Comments on Changes to Targets: At present, FY 2010 and FY 2011 targets are aligned to historical performance. The NEI funding increase does not impact this measure; therefore ITA shows no change in the target for this measure.

Relevant Program Change(s): None	Title: N/A	Exhibit 13 Page no: N/A
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Validation and Verification

Data Source	Frequency	Data Storage	Internal Control Procedures	Data Limitations	Actions to be Taken
ITA Compliance and Market Access Management System database	Annual/Long-Term	ITA Client Tracking System case database and PBViews®	Each month, MAC office managers review case data relevant to their areas in the ITA Client Tracking System case database. In addition, ITA utilizes Inspector General reviews, the annual independent financial audit, and DOC/ITA verification and validation reviews to assess actual measure data.	ITA cannot control the outcome of the measure. In most cases, ITA must persuade a sovereign foreign government to change or remove a law or regulatory standard in order to declare a case a success.	None

Outcome 3 – Identify and Resolve Unfair Trade Practices

Measure 3E: Value of MAC cases resolved successfully (Annual)	FY 2006 Actual	FY 2007 Actual	FY 2008 Actual	FY 2009 Actual	FY 2010 Target	FY 2011 Target
	\$7.3B	\$8.8B	\$12.3B	\$25.4B	\$2.5B	\$2.5B

Description: This measure provides the estimated cost of a particular trade barrier removed as it relates to a specific company or industry. This measure tends to fluctuate over time. This measure gauges the impact of trade barriers removed on behalf of a specific company or industry.

Comments on Changes to Targets: ITA trend data indicates that the value of ITA cases resolved successfully has increased every year. ITA expects the value of cases to increase by 20% on an annual basis till 2010. The FY 2008 Actual exceeded the annual goal of \$1.5B because more users began to enter information regarding this metric after the roll-out of the new ITA Client Tracking System. In addition, the FY 2009 actual shows a large increase that was due to ITA closing two large cases valued at \$17.0B and \$3.0B respectively. At present, the FY 2011 target is aligned to historical performance.

Relevant Program Change(s): None	Title: N/A	Exhibit 13 Page no: N/A
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Validation and Verification

Data Source	Frequency	Data Storage	Internal Control Procedures	Data Limitations	Actions to be Taken
ITA Compliance and Market Access Management System database	Annual/Long-Term	ITA Client Tracking System case database and PBViews®	Each month, MAC office managers review case data relevant to their areas in the ITA Client Tracking System case database. ITA utilizes Inspector General reviews, the annual independent financial audit, and DOC/ITA verification and validation reviews to assess actual measure data.	ITA cannot control the outcome of the measure. In most cases, ITA must persuade a sovereign foreign government to change or remove a law or regulatory standard in order to declare a case a success.	None

Section 5. FY 2011 Program Changes

	Accompanying GPRA		Base (in Millions)		Increase/Decrease		Page of Exhibit 13 Discussion
	APP Page no.	Performance Measure no.	FTE	Amount	FTE	Amount	
Program Change: National Export Initiative	ITA – 16 to ITA – 19	2A-2F	1,891	\$450,797	131	\$78,468	ITA – 37
Program Change: Commerce Law Development Program	N/A	N/A	0	\$0	10	\$5,000	ITA – 63
Program Change: Grants to Manufacturers of Worsted Wool Products	N/A	N/A	0	\$5,332	0	(\$5,332)	ITA – 117

Section 7. Resource Requirements Table

	FY 2006 Actual	FY 2007 Actual	FY 2008 Actual	FY 2009 Actual	FY 2010 Enacted	FY 2011 Base	Increase/ Decrease	FY 2011 Request
ITA Performance Outcome 1: Enhance U.S. Competitiveness in Domestic and International Markets								
Manufacturing and Services	\$49.1	\$56.1	\$42.5	\$49.8	\$50.1	\$51.3	\$5.1	\$56.4
Executive Direction/Administration	\$3.7	\$3.6	\$3.5	\$3.2	\$3.4	\$3.2	\$0.3	\$3.5
Total Funding	\$52.8	\$59.7	\$46.0	\$53.0	\$53.5	\$54.5	\$5.4	\$59.9
Direct	\$52.1	\$59.0	\$44.8	\$52.3	\$52.9	\$54.0	\$5.4	\$59.4
Reimbursable	\$0.7	\$0.8	\$1.2	\$0.7	\$0.8	\$0.6	\$0.0	\$0.6
IT Funding	\$4.6	\$5.5	\$5.1	\$4.8	\$4.8	\$4.9	\$0.5	\$5.4
FTE	257	243	228	213	222	222	14	236

	FY 2006 Actual	FY 2007 Actual	FY 2008 Actual	FY 2009 Actual	FY 2010 Enacted	FY 2011 Base	Increase/ Decrease	FY 2011 Request
ITA Performance Outcome 2: Broaden and Deepen the U.S. Exporter Base								
Commercial Service	\$247.5	\$245.9	\$256.6	\$267.6	\$277.4	\$279.0	\$61.1	\$340.1
Executive Direction/Administration	\$16.6	\$17.1	\$16.8	\$15.5	\$16.5	\$15.8	\$1.5	\$17.3
Total Funding	\$264.1	\$263.0	\$273.4	\$283.1	\$293.9	\$294.8	\$62.5	\$357.4
Direct	\$251.8	\$250.6	\$257.9	\$257.9	\$276.6	\$275.5	\$62.5	\$338.1
Reimbursable	\$12.3	\$12.4	\$15.5	\$25.2	\$17.3	\$19.3	\$0.0	\$19.3
IT Funding	\$22.9	\$27.5	\$25.6	\$23.8	\$24.2	\$24.5	\$5.3	\$29.8
FTE	1,338	1,202	1,151	1,120	1,114	1,124	98	1,222
ITA Performance Outcome 3: Identify and Resolve Unfair Trade Practices								
Market Access and Compliance	\$43.5	\$44.0	\$46.0	\$45.5	\$45.2	\$44.7	\$11.7	\$56.3
Import Administration	\$71.7	\$66.6	\$69.6	\$72.3	\$75.1	\$75.8	(\$2.2)	\$73.6
Executive Direction/Administration	\$8.3	\$7.5	\$7.9	\$7.4	\$7.9	\$7.6	\$0.7	\$8.3
Total Funding	\$123.5	\$118.2	\$123.5	\$125.2	\$128.3	\$128.1	\$10.1	\$138.2
Direct	\$122.0	\$116.9	\$122.4	\$124.8	\$126.9	\$126.7	\$10.1	\$136.8
Reimbursable	\$1.4	\$1.3	\$1.1	\$0.5	\$1.4	\$1.4	\$0.0	\$1.4
IT Funding	\$10.7	\$12.8	\$11.9	\$11.1	\$11.3	\$11.5	\$1.1	\$12.6
FTE	633	544	496	528	567	567	29	596
Grand Total								
Total Funding	\$440.2	\$440.8	\$442.9	\$461.4	\$475.7	\$477.4	\$78.1	\$555.5
Direct	\$425.9	\$426.5	\$425.1	\$435.0	\$456.4	\$456.2	\$78.1	\$534.3
Reimbursable	\$14.5	\$14.5	\$17.8	\$26.4	\$19.5	\$21.3	\$0.0	\$21.3
IT Funding	\$38.2	\$45.8	\$42.6	\$39.6	\$40.3	\$40.9	\$7.0	\$47.9
FTE	2,229	1,990	1,875	1,861	1,903	1,913	141	2,054

Note: Travel and Tourism Promotion account included in MAS and Worsted Wool account included in IA. Differences in totals are the result of rounding.

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

	Positions	FTE	Direct Obligations	Budget Authority
FY 2010 Currently Available	2,181	1,881	451,008	446,765
less: Obligations from prior years	0	0	(4,243)	0
ITA- 29 plus: 2011 Adjustments-to-Base	0	10	4,032	4,032
FY 2011 Base	2,181	1,891	450,797	450,797
plus: FY 2011 Program Changes	190	141	83,468	83,468
Total FY 2011 Estimate	2,371	2,032	534,265	534,265

Comparison by activity/subactivity		2009		2010		2011		2011		Increase/	
		Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount
ITA- 41 Manufacturing and Services	Pos./BA	242	48,592	242	49,530	242	50,765	261	55,885	19	5,120
	FTE/Obl.	199	49,152	209	49,530	209	50,765	223	55,885	14	5,120
ITA- 53 Market Access and Compliance	Pos./BA	226	42,332	226	43,212	226	44,103	257	55,753	31	11,650
	FTE/Obl.	201	45,486	204	44,675	204	44,103	228	55,753	24	11,650
ITA- 67 Import Administration	Pos./BA	415	66,357	415	68,290	415	69,792	424	72,912	9	3,120
	FTE/Obl.	298	66,676	331	69,078	331	69,792	336	72,912	5	3,120
ITA- 83 Trade Promotion and U.S. & Foreign Commercial Service	Pos./BA	1,119	237,739	1,149	258,438	1,149	259,974	1,279	321,052	130	61,078
	FTE/Obl.	1,041	242,660	1,041	260,373	1,051	259,974	1,148	321,052	97	61,078
ITA- 93 Executive Direction/Administration	Pos./BA	149	25,411	149	27,295	149	26,163	150	28,663	1	2,500
	FTE/Obl.	100	25,627	96	27,352	96	26,163	97	28,663	1	2,500
TOTALS	Pos./BA	2,151	420,431	2,181	446,765	2,181	450,797	2,371	534,265	190	83,468
	FTE/Obl.	1,839	429,602	1,881	451,008	1,891	450,797	2,032	534,265	141	83,468
	Fees		9,439		9,439		9,439		9,439		
Adjustments for:											
Recoveries			(7,078)		0		0		0		0
Refunds			(471)								
Unobligated balance, start of year			(3,891)		(4,243)		0		0		0
Unobligated balance, start of year transferred			(1,976)		0		0		0		0
Unobligated balance, expiring			3		0		0		0		0
Unobligated balance, end of year			4,243		0		0		0		0
Unobligated balance, end of year unavailable					0		0		0		0
Financing from:											
Transfers to other accounts			0		0		0		0		0
Transfers from other accounts			0		0		0		0		0
Appropriation			420,431		446,765		450,797		534,265		83,468

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

	2009 Actual	2010 Enacted	2011 Base	2011 Estimate	Increase/ (Decrease)
Total Obligations	446,101	472,080	472,095	555,563	83,468
Financing:					
Offsetting collections from:					
Federal funds	(11,190)	(9,859)	(11,859)	(11,859)	0
Trust funds					0
Non-Federal funds	0	(9,439)	(9,439)	(9,439)	0
Recoveries	(8,211)	0	0	0	0
Refunds	(471)	0			
Unobligated balance, start of year	(10,175)	(6,017)	0	0	0
Unobligated balance, start of year transferred	(1,976)	0	0	0	0
Unobligated balance, expiring	336	0	0	0	0
Unobligated balance, end of year	6,017	0	0	0	0
Unobligated balance, end of year unavailable	0	0	0	0	0
Budget Authority	420,431	446,765	450,797	534,265	83,468
Financing:					
Transferred to other accounts	0	0	0	0	0
Transferred from other accounts	0	0	0	0	0
Appropriation	420,431	446,765	450,797	534,265	83,468

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**Department of Commerce
International Trade Administration
Operations and Administration
Adjustments-To-Base**
(Dollar amounts in thousands)

<u>Adjustments:</u>	<u>FTE</u>	<u>Amount</u>
Less amounts unrequested in FY 2010		(6,500)
 <u>Other Changes:</u>		
Annualization of 2010 Pay Raise	0	989
2011 Pay Raise	0	2,451
Payment to the Working Capital Fund	0	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	0	4,048
Civil Service Retirement System (CSRS)	0	(211)
Federal Employees' Retirement System (FERS)	0	1,005
Thrift Savings Plan	0	60
Federal Insurance Contribution Act (FICA)-OASDI	0	198
Health insurance	0	815
Employee's Compensation Fund	0	92
Travel		
Mileage	0	(18)
Domestic Per diem	0	123
Foreign Per diem	0	(230)
Rent payments to GSA	0	210
Electricity	0	349
Postage	0	2
Printing and reproduction	0	12
Other services: (Itemized)		
Working capital fund	0	1,222
Commerce Business Systems (bureau specific)	0	51
National Archives and Records Administration (NARA)	0	6
Capital Security Cost Sharing Program	0	(2,339)
International Cooperative Administrative Support Services (ICASS)	0	1,649
Non ICASS local guard service	0	10
Military pouch	0	6
General Pricing Level Adjustment:		
Transportation of things	0	13
Rent payments to others	0	4
Communications, Utilities and Miscellaneous	0	15
Other Services	0	136
Supplies and materials	0	12
Equipment	0	39
Overseas price increases	0	175
Currency Loss	0	(1,424)
Subtotal, other changes	10	10,532
Less amount absorbed		0
Total, Adjustments to Base	10	4,032

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

	<u>FTE</u>	<u>Amount</u>
<u>Adjustments:</u>		
Less: Unrequested Increases FY 2010.....		<u>(6,500)</u>
 <u>Other Changes:</u>		
Pay Raises.....		<u>3,620</u>
Full-year cost of 2010 pay increase and related costs:		
The 2010 President's budget assumes a pay raise of 2.0% effective January 1, 2010.		
Total cost in 2011 of 2010 pay raise		3,956,000
Less amount funded in 2010		<u>(2,967,000)</u>
Amount requested in 2011 to provide full-year costs of 2009 pay increase		989,000
A general pay raise of 2.1% is assumed to be effective January 1, 2011		
Total cost of 2011 of pay increase		2,451,000
Payment to Working Capital Fund		<u>180,000</u>
Total, adjustment for 2011 Pay Raise		2,631,000
 Full year cost in 2011 of positions financed for part of year in 2010.....	10	882
An increase of \$886,511 is required to fund full year cost in 2011 of positions financed for part-year in 2010. The computation follows:		
Annual salary of new positions in 2010	30	2,021,308
Less 5 percent Lapse	<u>(1)</u>	<u>(101,066)</u>
Full year cost of personnel compensation	29	1,920,242
Less personnel compensation in 2010	<u>(19)</u>	<u>(1,291,952)</u>
Cost of personnel compensation in 2011	10	628,290
Adjustment for 2011 pay raise		<u>6,597</u>
Additional amount required for personnel compensation	10	634,887
Benefits		<u>247,041</u>
Total Adjustment to Base for positions financed in 2010	10	881,928

	<u>FTE</u>	<u>Amount</u>
Implementation of Foreign Service Overseas Pay Equity Act of 2009		4,048
<p>The Foreign Service Overseas Pay Act of 2009 requires all Foreign Service Officers (FSOs) designated class 1 or below and whose office duty station is neither in the continental U.S. nor in a non-foreign area receive a locality-based comparability payment equal to the locality-based provided to General Schedule employees stationed in Washington DC. This locality payment is currently 23.1%.</p>		
Current annual salary of FSO Positions funded in FY 2010 President's Budget	15,953,500	
Adjustment for 2011 pay raise	223,349	
Total Salary for FY 2011	16,176,849	
Calculation of Locality Adjustment 23.1%	3,736,852	
Adjustment for 77% of FSO positions in foreign posts	2,877,376	
Benefits	<u>1,170,516</u>	
Total Adjustment to Base for Implementation of Foreign Service Overseas Pay Equity Act	4,047,892	
Civil Service Retirement System (CSRS)		(211)
<p>Positions become vacant and are filled by employees who are covered by the Federal Employees Retirement System (FERS). The estimated percentage of payroll for employees covered by CSRS will drop from 14.0% in 2010 to 12.2% in 2011 for regular employees and foreign service employees will be 10.0% to 7.70%. Contribution rates will remain at 7.00% for regular employees and 7.25% for foreign service employees.</p>		
Regular:		
2011 \$137,568,500 x .122 x .0700	1,174,835	
2010 \$137,568,500 x .140 x .0700	<u>1,348,171</u>	
Subtotal	(173,336)	
Foreign Service:		
2011 \$22,420,500 x .077 x .0725	125,162	
2010 \$22,420,500 x .100 x .0725	<u>162,549</u>	
Subtotal	<u>(37,386)</u>	
Total adjustment-to-base	<u>(210,722)</u>	

Federal Employees Retirement System (FERS).....

1,005

The number of employees covered by FERS continues to rise as employees covered by CSRS leave and are replaced by employees covered by FERS. The estimated percentage of payroll for employees covered by FERS will rise from 86.0% in 2010 to 87.8% in 2011 for regular and from 90.0% to 92.3% for foreign service employees. The contribution rate will increase from 11.2% to 11.7% in 2011 for regular employees, and remain the same at 24.03% for foreign service employees.

Regular:

2011 \$137,568,500 x .878 x .117 14,131,862

2010 \$137,568,500 x .860 x .112 13,250,598

Subtotal 881,264

Foreign Service:

2011 \$22,420,500 x .923 x .2403 4,972,797

2010 \$22,420,500 x .900 x .2403 4,848,882

Subtotal 123,915

Total adjustment-to-base 1,005,179

Thrift Savings Plan (TSP).....

60

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

Regular:

2011 \$137,568,500 x .878 x .02 2,415,703

2010 \$137,568,500 x .860 x .02 2,366,178

Subtotal 49,525

Foreign Service:

2011 \$22,420,500 x .923 x .02 413,882

2010 \$22,420,500 x .900 x .02 403,569

Subtotal 10,313

Total adjustment-to-base 59,838

	<u>FTE</u>	<u>Amount</u>
Federal Insurance Contribution Act (FICA).....		198
As the percentage of payroll covered by FERS rises, the cost of Old Age Survivor and Disability Insurance (OASDI) contributions will increase. In addition, the maximum salary subject to OASDI tax will increase from \$110,400 in 2010 to \$114,975 in 2011. The contribution rate will remain 6.2% in 2011.		
Regular:		
2011 \$137,568,500 x .878 x .954 x .062	7,144,200	
2010 \$137,568,500 x .860 x .952 x .062	6,983,065	
Subtotal	161,135	
Foreign Service:		
2011 \$22,420,500 x .923 x .912 x .062	1,170,128	
2010 \$22,420,500 x .900 x .906 x .062	1,133,464	
Subtotal	36,664	
Other Salaries; Regular Salaries		
2011 \$377,000 x .954 x .062	22,299	
2010 \$377,000 x .952 x .062	22,252	
Subtotal	47	
Total adjustment-to-base	197,845	
Health Insurance.....		815
Effective January 2009, this bureau's contribution to Federal employees' health insurance premiums increased by an average rate of 7.1%. Applied against the 2010 estimate of \$11,476,000, the additional amount required is \$814,796.		
Federal Employee's Compensation Act.....		92
The Employee's Compensation Fund bill for the year ending in June 30, 2009 is \$92,000 higher than the bill for the year ending in June 30, 2008. Upon enactment of the 2011 appropriation, ITA will reimburse the Department of Labor pursuant to 5 U.S.C. 8147.		
Travel (Mileage).....		(18)
Effective January 1, 2009 the reimbursable rate for the use of a privately owned automobile decreased from \$0.585 to \$.55 per mile. A rate decrease of 6% was applied to the 2010 estimate of \$294,000 to arrive at a decrease of \$17,640 for 2011.		

	<u>FTE</u>	<u>Amount</u>
Domestic Per Diem The average rate for domestic per diem increased by 3.7%. This percentage was applied to the 2010 estimate of \$ 3,326,000 to arrive at an increase of \$123,062.		123
Foreign Per Diem The average rate for foreign per diem decreased by 7.0%. This percentage was applied to the 2010 estimate of \$3,290,000 to arrive at a decrease of \$230,300.		(230)
Rental Payments to GSA GSA rates are projected to increase 1.4% in 2011. This percentage was applied to the 2010 estimate of \$14,975,000 to arrive at an increase of \$209,650.		210
HCHB Electricity HCHB Electricity costs are projected to increase 15.0% in 2011. This percentage was applied to a 2010 estimate of \$2,325,000 to arrive at an increase of \$348,750.		349
Postage (U.S.P.S.) Effective May 11, 2009, the Governors of the Postal Service approved a rate increase 4.8%. This percentage was applied to the 2010 estimate of \$39,000 to arrive at an increase of \$1,872.		2
General Printing Office (GPO) Printing This request applies OMB economic assumptions for 2011 to areas where the prices that the government pays are established or influenced through the market system. A factor of 0.8% was applied to the 2010 printing estimate of \$1,460,000 to arrive at an increase of \$11,680.		12
Working Capital Fund (WCF) An increase of \$1,222,000 is required to fund cost increases in the Department's Working Capital Fund to maintain current operations.		1,222
Commerce Business System (CBS) An increase of \$51,000 is required to support ITA's continued use of the CBS accounting system.		51
National Archives and Records Administration (NARA) Storage Costs NARA has indicated the cost to administer ITA's records storage will increase from \$22,800 in 2010 to \$29,184 in 2011. The amount required to cover this increase is \$6,384.		6

	<u>FTE</u>	<u>Amount</u>
Capital Security Cost Sharing (CSCS) Program		(2,339)
<p>ITA has 127 offices in 77 countries overseas. The majority of the offices are located in U.S. Consulates and Embassies. The Department of State (DOS) plans to build 150 new embassy compounds over a 14-year period with a total cost of \$17.5 billion. Under the Capital Security Cost Sharing (CSCS) Program, all agencies represented in embassies will be charged on a worldwide per capita basis of \$28,144 per non-controlled access employee. The 2010 estimate is currently \$23,674,000, and the 2011 estimate is \$21,334,819. This results in a decrease of -\$2,339,181.</p>		
International Cooperative Administrative Support Services (ICASS)		1,649
<p>The State Department issued a guidance memorandum on June 11, 2009 to the client agencies instructing them to plan for a 6.7% increase in ICASS billing costs in FY 2011 over what was billed in FY 2010. An increase of 6.7% was applied to the 2010 ICASS estimate of \$24,606,000 to arrive at an increase of \$1,648,602. The Department of State is the primary provider for shared administrative support systems at embassies and other diplomatic and consular missions overseas. The Department of State coordinates the provision of such services and distribution of their costs via the International Common Administrative Support Services (ICASS) system. This increase is required to maintain current level of ICASS support at ITA's existing overseas offices.</p>		
Non International Cooperative Administrative Support Services (ICASS) Local Guard		10
<p>This request applies OMB economic assumptions for 2011 to areas where the prices that the government pays are established through the market system. A rate increase of 0.8 % was applied to the 2010 projected cost of \$1,287,898 to arrive at an increase of \$10,303. This increase is based on ICASS-related guard services cost increase and is driven by requirement for more expensive and increased number of security personnel.</p>		
Military Pouch		6
<p>This request applies OMB economic assumptions for 2011 to areas where the prices that the government pays are established or influenced through the market system. A rate of increase of 0.8% was applied to the 2010 projected cost of \$756,447 to arrive at an increase of \$6,056. The increase is needed for security and anthrax-related devices during pouch mail delivery.</p>		
General Pricing Level Adjustment		219
<p>This request applies OMB economic assumptions for 2011 to sub-object classes where the prices that the Government pays are established through the market system. A factor of 0.8% was applied to: rental payment to others; transportation of things; communications, utilities, and miscellaneous charges (excluding postage); supplies and materials; equipment and other services (excluding DOC's Department of Management (DM) and Working Capital Fund (WCF) Payments).</p>		
	Transportation of things	13
	Rental payment to others	4
	Communications, utilities and misc charge	15
	Other Services	136
	Supplies and materials	12
	Equipment	39
	Total	<u>219</u>

	<u>FTE</u>	<u>Amount</u>
Overseas Price Increases		175
<p>The overseas price increases is based on anticipated overseas price increases in FY 2011 in countries in which ITA conducts operations. The percentage of 0.8% was applied to a base of \$21,903,000 to arrive at an increase of \$175,224.</p>		
Currency Exposure		(1,424)
<p>As the U.S. dollar has gained value when converted to foreign currency, operating costs decrease. As a result of these exchange gains, the cost of base operations has decreased. The currency exposure ATB in FY 2010 of \$1,424,000 is no longer required to maintain the level of current operations.</p>		
Subtotal, other changes	10	4,032
Less: amount absorbed	0	0
Total, Adjustments to Base	<u>10</u>	<u>4,032</u>

**DEPARTMENT OF COMMERCE
INTERNATIONAL TRADE ADMINISTRATION
Operations and Administration
SUMMARY PROGRAM INCREASE FOR FY 2011
(Dollar amounts in thousands)**

		FY 2011 Base		FY 2011 Estimate		Increase (Decrease)	
		<u>Personnel</u>	<u>Amount</u>	<u>Personnel</u>	<u>Amount</u>	<u>Personnel</u>	<u>Amount</u>
International Trade	Pos./BA	2,181	\$450,797	2,361	\$529,245	180	\$78,468
Administration	FTE/Obl.	1,891	\$450,797	2,022	\$529,245	131	\$78,468

National Export Initiative (+131 FTE, \$78,468,000): ITA is requesting 131 FTE and \$78.5 million to implement the Agency-wide, comprehensive, multi-year “National Export Initiative” which will expand exports for economic growth and job creation. In addition to the above mentioned 131 FTE, ITA will add the equivalent of 110 Locally Engaged Staff (LES) to its overseas presence.

Statement of Need

More than ever before, our economy is dependent on the global economy. In 2008, America exported an astounding \$1.83 trillion worth of goods and services, and the share of exports in GDP rose to 12.7 percent from 5.3 percent 40 years ago (1968). Also in 2008, exports grew by 11.1 percent compared to just 2.6 percent GDP growth, indicating how important exports were to ensure a positive GDP growth. The recent downturn in the world economy has adversely affected all industry sectors and the volume of U.S. exports. Exports have declined by 16.7 percent between November 2008 and November 2009. Many of our major trading partners have experienced similarly severe economic contractions. In these troubled economic times, ensuring the free flow of goods and services between nations is more important than ever for the economic well-being of the United States and the world.

In this environment, ensuring a steady rate of growth in exports can positively impact domestic job creation. The latest available employment numbers indicate that in 2006 the number of U.S. jobs dependent on manufactured exports was roughly 6 million, representing more than one out of every 20 private sector jobs. Furthermore, since 1998, worker compensation has risen faster in those manufacturing industries whose share of exports has also increased. In addition, nearly half of the jobs supported by manufacturing exports were in the non-manufacturing sectors, such as wholesale and retail trade, and transportation. Services exports – including education, business services, information services, entertainment, international tourism to the United States, and construction and engineering – have also contributed to job creation. For example, recent estimates indicate that international travelers to the United States support roughly 1.1 million domestic jobs. By focusing on exports, the United States not only helps strengthen the long-term health of U.S. industries, but also further stimulates domestic job creation.

Growth in key foreign markets is an important factor in ensuring the business viability of small and medium-sized enterprises (SMEs), which are those companies with fewer than 500 workers. Although the vast majority of U.S. exporters are SMEs, they account for less than one-third of the total value in exports. Furthermore, SMEs face substantial market risks since a majority of those exporting trade with

only one foreign country. Tapping into additional global markets will allow U.S. firms to expand production thereby expanding employment opportunities for U.S. workers. A U.S. export strategy designed to enhance SME exports would therefore help job creation and improve the ability of small businesses to compete in the global marketplace.

Proposed Actions

With its network of trade specialists across the United States, commercial experts in more than 76 countries around the world, and industry and trade policy analysts in the Nation's capital, ITA is positioned to play a pivotal role in helping U.S. firms become more globally competitive, in breaking down the barriers to trade, and in facilitating the expansion of exports by U.S. firms. This "National Export Initiative" offers solutions that concentrate on these key factors and has the potential to make a significant contribution to domestic job creation.

ITA key activities:

- Expand overseas presence (officers and locally engaged staff) of Commercial Service in high growth markets such as China, India, and Brazil, and add officers in Africa, the Middle East, the Caribbean and Eastern Europe¹. 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 Trade Promotion Coordinating Committee (TPCC) Agencies and corporate partners. Expand SME exporters to beyond two or more additional more challenging markets.
- Develop a comprehensive program to identify market opportunities for export-intensive, high-growth industry sectors (e.g. environmental goods and services, renewable energy, health care, bio-tech, etc.) and increase the number and size of various trade event activities to promote these technologies in critical markets, giving U.S. firms more opportunities to make export deals with foreign buyers and distributors.
- Increase the number and size of U.S. government-led trade missions and reverse trade missions to the U.S. focused on critical sectors (e.g. environmental goods, health care, biotechnology, and aviation).

¹ Candidates currently being considered for new overseas offices include: Kabul, Afghanistan; Luanda, Angola; Manama, Bahrain; Maputo, Mozambique; Phnom-Penh, Cambodia; Xiamen, China; Vientiane, Laos; Ulaanbaatar, Mongolia; Baku, Azerbaijan; Nicosia, Cyprus; Tbilisi, Georgia; Bishkek, Kyrgyzstan; Vilnius, Lithuania; Ljubljana, Slovenia; Lyon, France; Hamburg, Germany; Amsterdam, Netherlands; Barcelona, Spain; Havana, Cuba; Kingston, Jamaica; Managua, Nicaragua; and, Port of Spain, Trinidad & Tobago.

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.

ITA-Wide Performance Goal Supported: This initiative supports all of ITA’s performance goals.

	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Cost and Benefits: (Dollars in Thousands)					
Direct Obligations:					
Uncapitalized	\$78,468	\$78,468	\$78,468	\$78,468	\$78,468
Capitalized	0	0	0	0	0
Budget Authority	\$78,468	\$78,468	\$78,468	\$78,468	\$78,468
Outlays	\$54,928	\$70,621	\$78,468	\$78,468	\$78,468
FTE	131	172	172	172	172

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

Activity: International Trade Administration
Subactivity: Manufacturing and Services

<u>Performance Goal</u>		2009		2010		2011		2011		Increase/ (Decrease)	
		Actual		Currently Available		Base		Estimate		Personnel	Amount
		Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount
Strengthen U.S. Competitiveness in the Global Marketplace	Pos./BA	242	48,592	242	49,530	242	50,765	261	55,885	19	5,120
	FTE/Obl.	199	49,152	209	49,530	209	50,765	223	55,885	14	5,120
Total	Pos./BA	242	48,592	242	49,530	242	50,765	261	55,885	19	5,120
	FTE/Obl.	199	49,152	209	49,530	209	50,765	223	55,885	14	5,120

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**Department Of Commerce
International Trade Administration
JUSTIFICATION OF PROGRAM AND PERFORMANCE
Manufacturing and Services**

Enhancing American Industry's Competitiveness

Department of Commerce Goal

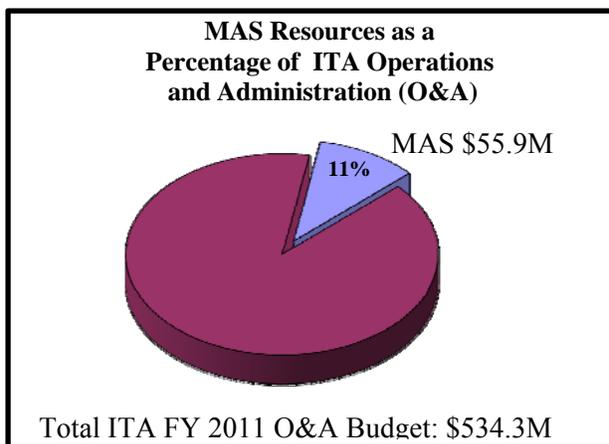
Maximize U.S. competitiveness and enable economic growth for American industries, workers and consumers.

Mission and Goals for FY 2011

The mission of Manufacturing and Services (MAS) is to strengthen the domestic and international competitiveness of U.S. industry by eliminating and/or preventing barriers and expanding foreign market access to increase U.S. exports. Manufacturing and Services (MAS) supports several of the ITA-wide strategic goals and is the primary unit responsible for the ITA-wide strategic goal entitled "Strengthen U.S. Competitiveness in the Global Marketplace."

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

- Serves as the government's industry-sector experts;
- Provides critical economic and policy analysis and information;
- Ensures appropriate industry and other stakeholder input into domestic policy development, assessment and implementation;
- Ensures appropriate industry and other stakeholder input into trade policy development, negotiation, implementation, and compliance;
- Supports the Manufacturing Council, the President's Export Council, the Travel and Tourism Advisory Board, the Industry Trade Advisory Committees, the Environmental Technologies Trade Advisory Committee, the Civil Nuclear Trade Advisory Committee, and the Tourism Policy Council;
- Advocates for the interests of the manufacturing and services sectors on standards issues;
- Compiles and disseminates data on U.S. and world trade, economic performance, and industry competitiveness, as well as travel and tourism market intelligence;
- Supports industry market access issues in key foreign markets through industry analysis, bilateral activities, leading industry delegations to key markets, and leading industry-focused subgroups; and,



- Supports the development of a comprehensive national freight policy that promotes our supply chains and assures America's competitive advantage in the 21st century.

Base Program

MAS advances the competitiveness of U.S. industry by researching and analyzing U.S. industries and their operating environments to identify the opportunities and challenges that face them. MAS consults with U.S. industry on challenges and opportunities identified and combines industries' input with MAS's analysis to develop policy recommendations on issues such as standards on occupational exposure to chemicals and the definition of solid waste to promote U.S. competitiveness. U.S. manufacturers have outlined significant factors that are eroding competitiveness, contributing to higher production costs, introducing inefficiencies in the supply chain, retarding innovation, and impeding trade. These concerns form the foundation for generating policy recommendations that ensure the U.S. government is creating conditions where U.S. manufacturers and service providers prosper and maximize competitiveness. Further, MAS works with trade associations to sponsor events (e.g., conferences and roundtables) on issues affecting service and manufacturing firms. These events provide U.S. exporters access to senior U.S. government policymakers and offer firms the opportunity to explain significant factors that affect competitiveness, innovation, and impediments to trade in manufacturing and services. The concerns of manufacturing and services firms are an important building block for generating policy recommendations as the United States moves forward with an aggressive, market opening, trade agenda.

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

Trade Negotiations

MAS analysts support both bilateral and multilateral trade negotiations such as the World Trade Organization Doha Round negotiations. MAS's expertise in trade analysis and its database tools enable the Department of Commerce to provide critical input, not elsewhere available, throughout all phases of negotiations, which is heavily relied upon by the United States Trade Representative. Through analysis, coordination with country desk officers, consultation with private-sector representatives, and participation in negotiations, MAS develops industry-specific recommendations for trade policy. MAS develops negotiating priorities and recommends strategies to: overcome tariff and non-tariff barriers, open markets, promote mutual recognition, and deal with other sensitive issues that affect trade in manufactured goods and services. In addition, MAS plays a critical role following the conclusion of trade negotiations by analyzing and reporting on outcomes and explaining potential benefits to a variety of audiences. Further, MAS manages the Industry Trade Advisory Committees program, which serves as a communications channel for U.S. companies to express their views to U.S. negotiators on trade discussions and other policy issues.

Standards

MAS's knowledge of, and relationship with, U.S. industry enables it to take a unique leadership role on key issues affecting trade in goods and services. One example of the program's contribution is its efforts to address the impact of divergent standards, redundant testing and compliance procedures, and unilateral and non-transparent standard setting exercises on manufacturers' costs and competitiveness. These standards and related issues are now recognized as major impediments to trade.

MAS is spearheading ITA's standards efforts. In response to industry concerns and in conjunction with the private sector, MAS continues to focus its efforts on:

- Understanding and leveraging the domestic and international linkages between government regulations and standards primarily developed by the private sector;
- Minimizing the trade-restrictive impact of foreign standards and conformity assessment procedures on U.S. industry;
- Promoting a private-sector-led, market-based approach to standards development;
- Reinforcing MAS and other ITA expertise on standards issues in key sectors and markets;
- Alerting industry of potential changes in foreign regulations and opportunities to comment before they are adopted; and,
- Reaching out to and working cooperatively with U.S. industry.

MAS is particularly active in pursuing standards activities in key strategic markets, such as India. Specifically, MAS works closely with the U.S. Trade and Development Agency on its U.S.-India Standards and Conformance Cooperation Program (SCCP), designed to strengthen bilateral relationships and to improve access for U.S. companies to India by boosting cooperation on standards and conformity assessment issues. MAS and U.S. industry work together in fora including the Asia-Pacific Economic Cooperation (APEC) to highlight U.S. concerns with restrictive regulatory approaches and offer alternatives to help limit their spread. Work in APEC also includes substantial capacity building exercises in trade facilitation and information sharing in the services sector. MAS will participate in the major APEC forum meetings in 2011. MAS also works closely with other government agencies on issues such as import (including food) safety, energy and environmental issues, and other standards that may impact public policy.

Working with other Federal Agencies

Other U.S. Government agencies, such as the Food and Drug Administration (FDA), the Department of Energy (DOE) and the Environmental Protection Agency (EPA), rely on MAS as the key resource for setting trade policy priorities affecting certain U.S. industries. The MAS program takes a leading role in providing a forum for industry and government to come together in the international arena to discuss expanding exports and investment. MAS trade specialists use their industry expertise to support multilateral and bilateral trade negotiations. For example, in environmental services, MAS took a lead role with the U.S. Trade Representative in developing data for the General Agreement on Trade in Services plurilateral negotiations in this sector. This work helped move these discussions forward, offering gains for environmental services firms.

MAS provides key industry knowledge and economic inputs into the national security and regulatory processes. MAS represents ITA on the National Security Council (NSC) Maritime Security Interagency Policy Committee (MSIPC). Similarly, MAS acts in support of the Office of the Secretary, and represents ITA on the NSC Border and Transportation Security Interagency Policy Committee (BTSIPC). In both cases, ITA provides industry knowledge and economic impact analysis in the interagency work on transportation and border security and in the expanded maritime, aviation, and land transportation security policy efforts directed by the National Security Council. In terms of e-commerce, MAS promotes growth through bilateral and multilateral discussions as well as with agreements with foreign governments, including Free Trade Agreements and the U.S.-European Union Safe Harbor Agreement.

Travel and Tourism

MAS travel and tourism data serves as the sole source of government statistics on the travel industry. This information feeds Gross Domestic Product estimates as well as balance of payments and trade data in an industry exporting more than \$142 billion annually and running a trade surplus. The Department of State uses MAS data for air service negotiations to determine the impact of travel and tourism to and from the United States.

Trade Information

MAS manages a state-of-the-art information-delivery system for trade information – TradeStats Express (www.tse.export.gov). This technology, which features interactive data retrieval, user customization, data visualization on map-based interfaces, and flexible downloading and printing, vastly expands data accessibility while sharply reducing the costs of serving ITA customers. MAS continues its initiative to improve the usefulness of U.S. export data as a tool for helping U.S. firms realize their export potential. Working with the Census Bureau, MAS supports the development of economic profiles of the U.S. exporting community, detailed statistics on U.S. exports at the state and metropolitan level, and information on the role of exports in supporting jobs in each state. This data provides critical information to U.S. firms considering the initiation or expansion of exporting activities, as well as, Federal, state, and local government entities involved in supporting the realization of export potential by their constituent business entities.

Asia-Pacific Partnership for Clean Development and Climate

Since the inception of the Asia-Pacific Partnership for Clean Development and Climate (APP), MAS has led the Department's policy and capacity-building involvement in U.S. Government interagency activities and planning, and has acted as the Department's policy lead on APP activities. The APP is a joint effort by the United States and six Asian-Pacific nations (Australia, Canada, China, India, Japan, and the Republic of Korea) to promote the development and deployment of cleaner and more efficient energy technologies to curtail the growth of greenhouse gas emissions worldwide. As part of the initiative, MAS's industry specialists work on eight task forces to identify and remove barriers to the spread of cleaner more efficient technologies. MAS chairs the APP Task Force on aluminum and leads the U.S. Renewable Energy and Distributed Generation Task Force. MAS also provides substantial support to the buildings and appliances, cement, steel, cleaner fossil energy, coal mining, and power generation task forces. MAS industry experts review projects that receive APP funding. In addition, MAS's industry specialists and senior staff help develop and participate in U.S. industry outreach APP events in conjunction with the State Department and the Commercial Service. MAS has worked to integrate a trade policy and industry competitiveness focus into Commercial Service trade promotion events, in order to help create a proper enabling environment for U.S. firms to increase opportunities in partner countries, while selling technologies that reduce greenhouse gases, a major contributor to climate change. MAS works with the Commercial Service travel and tourism team by providing key market intelligence to assist in increasing travel exports. The Department of Homeland Security uses MAS data to understand the travel trade's perspective on the facilitation and entry/exit procedure process.

Asia-Pacific Economic Cooperation

MAS works both multilaterally and bilaterally to promote economic cooperation in Asia. Examples of multilateral work include the Asia-Pacific Economic Cooperation (APEC) Auto Dialogue Trade Facilitation workshops, APEC Energy Working Group, Group on Services workshops and the APEC funded medical device regulatory training seminars. Examples of our bilateral work include MAS led industry delegations to key markets to discuss market issues with foreign officials. There is also a special manufacturing focus on China and India, with manufacturing subgroups under the U.S.- China Joint Commission on Commerce and Trade, U.S.-China Strategic and Economic Dialogue, and major manufacturing industries represented on the U.S.-India High Technology Cooperation Group and the U.S.-India Standards Dialogue. MAS continues to work to open the China group leisure market to additional provinces which in turn expands access to U.S. companies.

Market Development Cooperator Program

MAS manages the Market Development Cooperator Program (MDCP). The MDCP provides Federal financial and technical assistance to trade associations, chambers of commerce and other industry groups that are particularly effective in reaching and assisting small and medium-sized enterprises. Such groups compete for a limited number of MDCP partnerships and must put up at least two-thirds of the project cost if they are selected. MDCP partnerships help to underwrite the start-up costs of competitiveness-enhancement projects which these groups are often reluctant to undertake without Federal government support. Much of the competitiveness that MDCP projects engender can be measured in terms of exports. Since FY 1993, MDCP award winners have generated more than \$2.8 billion in exports, an average of \$232 million annually. When funded projects are completed, the private sector will have invested more than \$80.2 million to increase global competitiveness as a result of the U.S. government's \$29.3 million expenditure.

Export Trading Company Act Programs

MAS administers two programs pursuant to the Export Trading Company Act, created by Congress to help primarily small and medium-sized firms improve their competitiveness in international markets: The Export Trade Certificate of Review, provides limited antitrust immunity to U.S. exporters, enabling them to form export joint ventures. Through these export joint ventures, firms collectively achieve economies of scale that allows for lower costs and long term presence in foreign markets. Program joint venture participants report \$25.3 billion in export sales for 2008. The Export Yellow Pages® is a buyers' guide that serves as an exporter referral and global advertising tool for U.S. producers. Available online and in print, The Export Yellow Pages® is serving more than 30,000 U.S. firms.

Committee for Foreign Investment in the United States (CFIUS) Activities

MAS also coordinates the Committee for Foreign Investment in the United States (CFIUS) activities for the Department and supports the Commerce representative to U.S. Government export finance and lending organizations, such as the Export-Import Bank and the Overseas Private Investment Corporation. MAS develops and coordinates the overall Administration positions on initiatives such as software innovation and metrics for sustainable manufacturing in its role as the U.S. lead for the OECD Committee on Industry, Innovation, and Entrepreneurship. MAS also coordinates an overall Administration position for each bill proposed by Congress in the Miscellaneous Tariff Bills.

Summary of Workload and Performance Data

	FY 2008 Actual	FY 2009 Actual	FY 2010 Estimate	FY 2011 Estimate
Annual cost savings resulting from the adoption of MAS recommendations contained in MAS studies and analysis	\$455 million	\$552 million	\$350 million	\$350 million
Percent of industry-specific trade barriers that were removed or prevented	29%	30%	30%	30%
Percent of industry-specific trade barrier milestones completed	73%	72%	55%	70%
Percent of agreement milestones completed	70%	23%	100%	100%
Percent reduction in per unit cost of data distribution	2.9%	2.0%	2.0%	2.0%
Exports generated annually from Public/Private partnerships	\$131 million	\$143 million	\$80 million	\$100 million

**DEPARTMENT OF COMMERCE
INTERNATIONAL TRADE ADMINISTRATION
Operations and Administration
PROGRAM INCREASE FOR FY 2011
(Dollar amounts in thousands)**

		FY 2011 Base		FY 2011 Estimate		Increase (Decrease)	
		<u>Personnel</u>	<u>Amount</u>	<u>Personnel</u>	<u>Amount</u>	<u>Personnel</u>	<u>Amount</u>
Manufacturing and Services	Pos./BA	242	\$50,765	261	\$55,885	19	\$5,120
	FTE/Obl.	209	\$50,765	223	\$55,885	14	\$5,120

National Export Initiative (+14 FTE, \$3,120,000): ITA is requesting 14 FTE and \$3.1 million to support Manufacturing and Service’s contribution to the implementation of the Agency-wide “National Export Initiative” which will expand exports for economic growth and job creation. The Statement of Need, Proposed Actions and Benefits of this initiative are provided beginning on page ITA – 37 of this document.

Manufacturing and Service will contribute to activities in four areas outlined in the National Export Initiative:

- Increase funding for trade compliance/enforcement;
- Increase funding for innovative public-private partnerships to promote exports;
- Improve technology and communication infrastructure/tools and increase capacity of Trade Information Center to handle exporter inquiries; and,
- Implement an export promotion plan targeted to top service sectors.

	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Performance Measures					
Annual cost savings resulting from the adoption of MAS recommendations contained in MAS studies and analysis	\$350M	\$350M	\$350M	\$350M	\$350M
Percent of industry-specific trade barriers that were removed or prevented	30%	30%	30%	30%	30%
Percent of industry-specific trade barrier milestones completed	70%	70%	70%	70%	70%
Percent reduction in per unit cost of data distribution	2%	2%	2%	2%	2%
Exports generated annually from Public/Private partnerships	\$100M	\$120M	\$200M	\$260M	\$320M

Cost and Benefits: (Dollars in Thousands)	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Direct Obligations:					
Uncapitalized	\$3,120	\$3,120	\$3,120	\$3,120	\$3,120
Capitalized	0	0	0	0	0
Budget Authority	\$3,120	\$3,120	\$3,120	\$3,120	\$3,120
Outlays	\$2,184	\$2,808	\$3,120	\$3,120	\$3,120
FTE	14	18	18	18	18

**Department of Commerce
International Trade Administration
Operations and Administration
PROGRAM CHANGE PERSONNEL DETAIL**

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

<u>Title:</u>		<u>Grade</u>	<u>Number</u>	<u>Salary</u>	<u>Salaries</u>
International Trade Specialist		GS-14	2	\$ 119,238	\$ 238,476
International Trade Specialist		GS-13	4	\$ 100,904	\$ 403,616
International Trade Specialist		GS-12	5	\$ 84,855	\$ 424,275
International Trade Specialist		GS-11	8	\$ 70,794	\$ 566,352
Subtotal			<u>19</u>		<u>\$ 1,632,719</u>
Less Lapse	25%		<u>(5)</u>		<u>\$ (408,180)</u>
Total Full-time permanent:			<u>14</u>		<u>\$ 1,224,539</u>
2011 Pay Adjustment	1.4%				<u>\$ 17,144</u>
Subtotal			<u>14</u>		<u>\$ 1,241,683</u>
Total					<u>\$ 1,241,683</u>

Personnel Data

Full-time Equivalent Employment					
Full-time permanent			14		
Other than full-time permanent			<u>0</u>		
Total			<u>14</u>		
Authorized Positions:					
Full-time permanent			19		
Other than full-time permanent			<u>0</u>		
Total			<u>19</u>		

Department of Commerce
International Trade Administration
Operations and Administration
PROGRAM CHANGE DETAIL BY OBJECT CLASS
(Dollar amounts in thousands)

Activity: Manufacturing and Services
Sub activity: Manufacturing and Services
Program Changes: National Export Initiative

Object Class	2011 Increase
11 Personnel compensation	
11.1 Full-time permanent	1,242
11.3 Other than full-time permanent	0
11.5 Other personnel compensation	37
11.8 Special personnel services payments	0
11.9 Total personnel compensation	1,279
12.1 Civilian personnel benefits	362
13 Benefits for former personnel	0
21 Travel and transportation of persons	100
22 Transportation of things	1
23.1 Rental payments to GSA	147
23.2 Rental payments to others	0
23.3 Communications, Utilities and miscellaneous charges	28
24 Printing and reproduction	23
25.1 Consulting services	0
25.2 Other services	336
25.3 Purchase of goods and services	717
26 Supplies and materials	15
31 Equipment	112
32 Lands and structures	0
33 Investments and loans	0
41 Grants, subsidies and contributions	0
42 Insurance claims and indemnities	0
43 Interest and dividends	0
44 Refunds	0
99 Total obligations	3,120

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

Activity: International Trade Administration
Subactivity: Market Access and Compliance

		2009		2010		2011		2011		Increase/ (Decrease)	
		Actual	Amount	Currently Available	Amount	Base	Amount	Estimate	Amount	Personnel	Amount
<u>Performance Goal</u>		Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount
Identify and Resolve Unfair Trade Practices	Pos./BA	226	42,332	226	43,212	226	44,103	257	55,753	31	11,650
	FTE/Obl.	201	45,486	204	44,675	204	44,103	228	55,753	24	11,650
Total	Pos./BA	226	42,332	226	43,212	226	44,103	257	55,753	31	11,650
	FTE/Obl.	201	45,486	204	44,675	204	44,103	228	55,753	24	11,650

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**Department Of Commerce
International Trade Administration
JUSTIFICATION OF PROGRAM AND PERFORMANCE
Market Access and Compliance**

Increasing Access to Foreign Markets for U.S. Industry

Department of Commerce Goal

Maximize U.S. competitiveness and enable economic growth for American industries, workers and consumers.

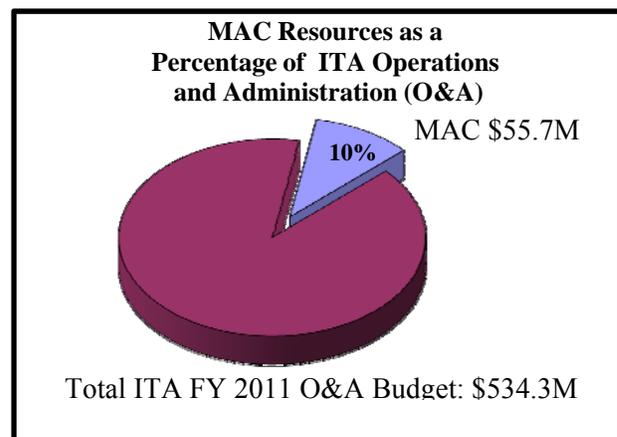
Mission and Goals for FY 2011

The mission of Market Access and Compliance (MAC) is to advance U.S. commercial interests by fostering an open global economic environment in which U.S. firms have an equal opportunity to compete, by eliminating foreign barriers to trade, investment and business operations, and by enforcing trade agreements.

Market Access and Compliance strives for greater access to foreign markets for U.S. companies by combating barriers to U.S. exports and ensuring foreign compliance with trade agreements. MAC activities support the ITA-wide strategic goal titled “Identify & Resolve Unfair Trade Practices.”

MAC’s strategic goals and objectives are:

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



Base Program

The President and the Congress have both stressed the importance of ensuring compliance by foreign nations with trade agreements so that U.S. businesses receive the full benefit of negotiated trade agreements. MAC monitors, investigates, and evaluates foreign compliance with more than 270 trade agreements signed by the United States. MAC is an integral part of the U.S. Government’s interagency

effort to develop and implement market access strategies and to remove foreign trade barriers, and provides the core trade policy support for the Secretary of Commerce and Under Secretary for International Trade.

MAC is organized into five regional units; 1) Africa, the Middle East and South Asia; 2) Asia; 3) Europe; 4) Western Hemisphere; and (5) the Trade Agreements and Compliance (TAC) unit. MAC country experts in the regional units collaborate closely with issue experts (standards, customs, intellectual property rights, etc.) and other ITA programs in the TAC to identify and resolve trade barriers facing U.S. firms and exporters. MAC's specialists devise strategies for remedying broad market access deficiencies, such as restrictive standards and other regulatory measures that keep U.S. exports out of foreign markets. Using a variety of tools and techniques from direct bilateral discussion to formal consultative mechanisms, MAC coordinates U.S. government efforts to implement market access strategies. MAC's units also participate in international trade conferences, events, and missions to assess trade barriers, combat threats that impede trade, and develop trade opportunities for U.S. exports. MAC will participate in the major Asia Pacific Economic Cooperation (APEC) forum meetings in 2011.

Trade Compliance

MAC's Trade Compliance Center (TCC), within the TAC unit, works in close collaboration with country and regional experts as well as other ITA programs to monitor foreign governments' implementation of trade agreements signed with the U.S. to identify any compliance problems. The TCC obtains information directly from U.S. businesses, MAC regional units, other Department of Commerce units, and U.S. embassies regarding potential failures by foreign governments to implement and adhere fully to agreements. Once a problem is identified, a case is initiated and a team of experts is formed to resolve the problem. These teams include MAC's country desk officers, compliance specialists from the TCC, industry experts from Manufacturing and Services (MAS), as well as officers (both foreign and domestic) from the Trade Promotion and U.S. & Foreign Commercial Service (Commercial Service). Teams work to resolve compliance problems without having to resort to lengthy, formal dispute settlement procedures. MAC's staff works cooperatively with the industry experts in MAS if the issue does or potentially could affect an entire industry, and also with appropriate Import Administration (IA) offices when illegal subsidies by foreign governments and/or dumping by foreign companies is suspected. When compliance cannot be attained in this informal manner, the TCC works with the USTR Monitoring and Enforcement Unit to develop effective cases for formal dispute settlement through the World Trade Organization (WTO), North America Free Trade Agreement (NAFTA), or by other means. MAC's specialists contribute to regular reports on possible compliance violations for use by the USTR and other agencies.

MAC has significantly expanded its tools and activities in aggressively combating non-tariff barriers imposed on U.S. firms. For example, MAC has placed four permanent, full-time compliance officers in Brussels, China (2), and Japan to work on-the-ground in resolving the most difficult trade compliance and market access problems for U.S. firms. These specialists have immediate access to foreign government officials in order to resolve compliance cases, as well as monitor laws and regulations that may impede U.S. exports to these markets. ITA's global network of Commercial Service and MAC officers provides feedback to the TCC and intervention in the field when necessary, protecting U.S. business interests abroad.

Total Economic Engagement

MAC recently consolidated a variety of existing trade programs that have been developed in individual regional units into a more cohesive program managed by a "Total Economic Engagement" team. The concept of total economic engagement builds on the trend in trade policy that has shifted the focus from tariff barriers to non-tariff barriers. In many developing markets there is a need for new programs to encourage pro-trade/pro-growth policies and to leverage a wide variety of U.S. Government trade capacity building initiatives to prevent or ameliorate market access barriers. In addition, MAC has

operated important new programs through government-to-government and public-private dialogs that seek to raise the overall level of U.S. trade. These activities are increasing exports and supporting a stronger, market-oriented economic system in targeted areas of the world, which contributes both to U.S. economic goals and global stability. The potential payoff for these programs in terms of barriers prevented is significant. The Total Economic Engagement team provides a strategic coordination point for MAC programs on entrepreneurship, standards development, training foreign trade officials, and promoting trade opportunities through market access successes.

Intellectual Property Rights

Within the TAC, MAC's Intellectual Property Rights (IPR) office investigates allegations of trade agreement violations and encourages policies by foreign governments to enhance and protect IPR for U.S. firms and artists. The unit has improved coordination efforts with other U.S. Government agencies to improve respect for and improvement of IPR protection. MAC is a key participant in ITA's Strategy Targeting Organized Piracy (STOP) initiative. For many countries this process starts with negotiating strong IPR rules in bilateral free trade agreements. Furthermore, MAC's IPR office seeks out violations abroad and presents specific evidence of abuse, forcing action by foreign governments to enforce their laws. China is of particular concern as there continues to be serious shortcomings in basic IPR protection even after almost 10 years since their WTO accession. MAC has developed a number of outreach and education tools designed to help small and medium-sized enterprises in particular protect their intellectual property. These tools are found at www.StopFakes.gov.

Trade Policy and Negotiation Support

Within the TAC, MAC supports the U.S. Government's trade negotiations by providing the analysis, expertise, and staff support needed to achieve negotiation objectives that will benefit U.S. firms and workers and provide new opportunities to expand U.S. exports of goods and services, protect U.S. investment and IPR. The country and regional experts in MAC provide technical knowledge and detailed country expertise needed for U.S. trade agreement negotiating teams. MAC analyzes market barriers, develops detailed data and information related to technical problems and obstacles, and conducts economic and commercial analyses necessary for successfully negotiating trade agreements.

MAC specialists are heavily involved in multi-lateral negotiations in the Doha Round of the World Trade Organization (WTO), in a wide variety of trade and investment councils, and bilateral investment negotiations. Working to obtain enhanced market access for U.S. exports, MAC's support of and participation in trade negotiations, as well as monitoring the implementation of trade agreements, has grown dramatically and will remain at a high level through FY 2011. In addition, MAC continues to provide extensive trade policy support for the Secretary and Under Secretary in making decisions that affect our bilateral trade relations, in establishing contacts with foreign government officials, and in the development of new country specific assistance programs to ensure a role for expanding U.S. business in economic development programs. MAC, along with other ITA programs, administers the Department's participation in the interagency Trade Policy Committee by representing U.S. business interests in the formulation of U.S. trade policy.

Outreach to small and medium-sized enterprises (SMEs)

MAC is oriented to help small and medium-sized enterprises (SMEs) that lack the resources to determine their rights under U.S. trade agreements or resolve other market access barriers. MAC recognizes that many U.S. firms, especially SMEs, may not be aware of their rights under trade agreements signed by the United States, nor are they aware of the assistance the U.S. government can provide in resolving their trade problems. MAC's representatives continue to pursue an aggressive outreach program to U.S. businesses and industry associations across the country with U.S. Export Assistance Centers. MAC promotes their abilities in helping companies overcome trade barriers, and how ITA can assist companies entering new markets. MAC's promotion of these activities is done by coordinating with other ITA units.

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

Advance the U.S. International Commercial and Strategic Interests

MAC is actively engaged in trade-related programs around the world that enhance commercial and strategic interests of the United States and U.S. firms. For example, MAC operates the Iraq and Afghanistan Task Forces, which are staffed by an interdisciplinary team of trade specialists from across ITA. Their mission is not only to assist in the reconstruction efforts for these two countries – thereby supporting the development of stable governments and economic growth – but also to pave the way for increased U.S. participation in these markets. MAC's experts in trade agreements and international trade regulations are working to create a fair and open framework of trade policy in Iraq and Afghanistan. At the same time, trade promotion and commercial development experts are working to uncover opportunities for U.S. firms in Iraq and Afghanistan, increasing the overall level of trade and promoting economic prosperity for the United States and the region. MAC supports aggressive outreach through seminars and the Internet to alert U.S. businesses to specific opportunities opened through U.S. policy and assistance programs. MAC has also had significant success in expanding U.S. exports while supporting U.S. Government foreign policy initiatives in China, Russia, Ukraine and Eurasia, Central America, and Eastern Europe.

Summary of Workload and Performance Data

	FY 2008 Actual	FY 2009 Actual	FY 2010 Estimate	FY 2011 Estimate
Percentage of cases resolved successfully	41%	61%	50%	50%
Value of cases resolved successfully (in U.S. Dollars)	\$12.3B*	\$25.4B	\$2.5B	\$2.5B
Number of market access and compliance cases initiated	227	216	210	210
Number of market access cases resolved	197	184	160	160
Percentage of MAC cases that have an action plan/success definition within 10 business days of initiation	80%	86%	85%	85%
Percentage of MAC cases initiated on behalf of SME's	33%	29%	35%	35%
Number of MAC cases resolved successfully	38	112	50	50
Percentage of MAC cases resolved annually	30%	27%	33%	33%
Annual average cost per case resolved	\$184,000	\$168,716	\$168,000	\$168,000

* The FY 2008 Actual exceeded the annual goal of \$1.5B because more users began to enter information regarding this metric after the roll-out of the new ITA Client Tracking System

**DEPARTMENT OF COMMERCE
INTERNATIONAL TRADE ADMINISTRATION
Operations and Administration
PROGRAM INCREASE FOR FY 2011
(Dollar amounts in thousands)**

		FY 2011 Base		FY 2011 Estimate		Increase (Decrease)	
		<u>Personnel</u>	<u>Amount</u>	<u>Personnel</u>	<u>Amount</u>	<u>Personnel</u>	<u>Amount</u>
Market Access and Compliance	Pos./BA	226	\$44,103	247	\$50,753	21	\$6,650
	FTE/Obl.	204	\$44,103	218	\$50,753	14	\$6,650

National Export Initiative (+14 FTE, \$6,650,000): ITA is requesting 14 FTE and \$6.7 million to support Market Access and Compliance’s contribution to the implementation of the Agency-wide “National Export Initiative” which will expand exports for economic growth and job creation. In addition to the above mentioned 14 FTE, Market Access and Compliance will add the equivalent of 6 Locally Engaged Staff (LES) to its overseas presence. The Statement of Need, Proposed Actions and Benefits of this initiative are provided beginning on page ITA – 37 of this document.

Market Access and Compliance will contribute to the following activities outlined in the National Export Initiative:

- Increase funding for trade compliance/enforcement; and,
- Implement an export promotion plan targeted to top service sectors.

	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Number of market access cases initiated	239	242	244	245	245
Number of market access cases resolved	182	184	186	188	188
Number of market access cases resolved successfully	91	92	93	94	94
Percentage of cases that have an action plan/definition of success within 10 business days of initiation	85%	87%	89%	90%	90%

	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Cost and Benefits: (Dollars in Thousands)					
Direct Obligations:					
Uncapitalized	\$6,650	\$6,650	\$6,650	\$6,650	\$6,650
Capitalized	0	0	0	0	0
Budget Authority	\$6,650	\$6,650	\$6,650	\$6,650	\$6,650
Outlays	\$4,655	\$5,985	\$6,650	\$6,650	\$6,650
FTE	14	20	20	20	20

**Department of Commerce
International Trade Administration
Operations and Administration
PROGRAM CHANGE PERSONNEL DETAIL**

Activity: Market Access and Compliance
Subactivity: Market Access and Compliance
Program Change: National Export Initiative
Title:

		Grade	Number	Salary	Salaries
		GS-14	3	\$ 119,238	\$ 357,714
		GS-13	6	\$ 100,904	\$ 605,424
		GS-12	3	\$ 84,855	\$ 254,565
		GS-11	1	\$ 70,794	\$ 70,794
			13		\$ 1,288,497
Subtotal					
Less Lapse	25%		(3)		\$ (322,124)
Total Full-time permanent:			10		\$ 966,373
2011 Pay Adjustment	1.4%				\$ 13,529
Subtotal			10		\$ 979,902
Locally Engaged Staff			8	\$ 53,000	\$ 424,000
			8		\$ 424,000
Subtotal					
Less Lapse	25%		(0)		\$ (0)
Total Full-time permanent:			8		\$ 424,000
2011 Pay Adjustment	1.4%				\$ 4,452
Subtotal			8		\$ 428,452
Foreign Service Officer		FS-01	1	\$ 144,277	\$ 144,277
Foreign Service Officer		FS-02	6	\$ 116,907	\$ 701,442
Foreign Service Officer		FS-03	1	\$ 94,729	\$ 94,729
			8		\$ 940,448
Subtotal					
Less Lapse	50%		(4)		\$ (470,224)
Total Full-time permanent:			4		\$ 470,224
2011 Pay Adjustment	1.4%				\$ 6,583
Subtotal			4		\$ 476,807
Total					\$ 1,779,161

Personnel Data

Full-time Equivalent Employment	
Full-time permanent	14
Other than full-time permanent	0
Total	14
Authorized Positions:	
Full-time permanent	21
Other than full-time permanent	0
Total	21

Department of Commerce
International Trade Administration
Operations and Administration
PROGRAM CHANGE DETAIL BY OBJECT CLASS
(Dollar amounts in thousands)

Activity: Market Access and Compliance
Sub activity: Market Access and Compliance
Program Changes: National Export Initiative

Object Class	2011 Increase
11 Personnel compensation	
11.1 Full-time permanent	1,779
11.3 Other than full-time permanent	0
11.5 Other personnel compensation	53
11.8 Special personnel services payments	0
11.9 Total personnel compensation	1,832
12.1 Civilian personnel benefits	610
13 Benefits for former personnel	0
21 Travel and transportation of persons	1,140
22 Transportation of things	82
23.1 Rental payments to GSA	105
23.2 Rental payments to others	100
23.3 Communications, Utilities and miscellaneous charges	145
24 Printing and reproduction	83
25.1 Consulting services	137
25.2 Other services	1,516
25.3 Purchase of goods and services	582
26 Supplies and materials	33
31 Equipment	279
32 Lands and structures	0
33 Investments and loans	0
41 Grants, subsidies and contributions	6
42 Insurance claims and indemnities	0
43 Interest and dividends	0
44 Refunds	0
99 Total obligations	6,650

**DEPARTMENT OF COMMERCE
INTERNATIONAL TRADE ADMINISTRATION
Operations and Administration
PROGRAM INCREASE FOR FY 2011
(Dollar amounts in thousands)**

		FY 2011 Base		FY 2011 Estimate		Increase (Decrease)	
		<u>Personnel</u>	<u>Amount</u>	<u>Personnel</u>	<u>Amount</u>	<u>Personnel</u>	<u>Amount</u>
Market Access and Compliance	Pos./BA	0	\$0	10	\$5,000	10	\$5,000
	FTE/Obl.	0	\$0	10	\$5,000	10	\$5,000

Commercial Law Development Program (CLDP) (+10 FTE, \$5,000,000): ITA is requesting 10 FTE and \$5 million to provide direct funding and enhance this long-standing reimbursable program. CLDP's technical assistance to developing countries helps create transparent legal systems and fair regulations that enable those countries to comply with international and bilateral trade obligations and promote rule of law.

The Commercial Law Development Program

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

CLDP Improves the Legal Environment for Business Worldwide

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

Removing Trade Barriers

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

Performance Measures

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

	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Cost and Benefits: (Dollars in Thousands)					
Direct Obligations:					
Uncapitalized	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000
Capitalized	0	0	0	0	0
Budget Authority	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000
Outlays	\$3,500	\$4,500	\$5,000	\$5,000	\$5,000
FTE	10	10	10	10	10

**Department of Commerce
International Trade Administration
Operations and Administration
PROGRAM CHANGE PERSONNEL DETAIL**

Activity: Market Access and Compliance
Subactivity: Commerical Law Technical Assistance
Program Change: Commerical Law Development Program

<u>Title:</u>		<u>Grade</u>	<u>Number</u>	<u>Salary</u>	<u>Salaries</u>
Chief and Deputy Counsel		GS-15	2	\$ 148,510	\$ 297,020
Administrative Officer		GS-14	1	\$ 108,717	\$ 108,717
Attorney Program Manager		GS-13	2	\$ 89,033	\$ 178,066
International Program Specialist		GS-12	1	\$ 77,368	\$ 77,368
Budget and Procurement Specialists		GS-11	2	\$ 62,467	\$ 124,934
Administrative Support Staff		GS-9	2	\$ 58,511	\$ 117,022
Subtotal			<u>10</u>		<u>\$ 903,127</u>
Less Lapse	0%		<u>0</u>		<u>\$ -</u>
Total Full-time permanent:			<u>10</u>		<u>\$ 903,127</u>
2011 Pay Adjustment	1.4%				<u>\$ 12,644</u>
Subtotal			<u>10</u>		<u>\$ 915,771</u>
Total					\$ 915,771

Personnel Data

Full-time Equivalent Employment					
Full-time permanent			10		
Other than full-time permanent			<u>0</u>		
Total			<u>10</u>		
Authorized Positions:					
Full-time permanent			10		
Other than full-time permanent			<u>0</u>		
Total			<u>10</u>		

Department of Commerce
International Trade Administration
Operations and Administration
PROGRAM CHANGE DETAIL BY OBJECT CLASS
(Dollar amounts in thousands)

Activity: Market Access and Compliance
Sub activity: Commerical Law Technical Assistance
Program Changes: Commerical Law Development Program

Object Class	2011 Increase
11 Personnel compensation	
11.1 Full-time permanent	916
11.3 Other than full-time permanent	0
11.5 Other personnel compensation	27
11.8 Special personnel services payments	0
11.9 Total personnel compensation	943
12.1 Civilian personnel benefits	267
13 Benefits for former personnel	0
21 Travel and transportation of persons	1,100
22 Transportation of things	0
23.1 Rental payments to GSA	350
23.2 Rental payments to others	0
23.3 Communications, Utilities and miscellaneous charges	40
24 Printing and reproduction	10
25.1 Consulting services	0
25.2 Other services	1,600
25.3 Purchase of goods and services	650
26 Supplies and materials	15
31 Equipment	25
32 Lands and structures	0
33 Investments and loans	0
41 Grants, subsidies and contributions	0
42 Insurance claims and indemnities	0
43 Interest and dividends	0
44 Refunds	0
99 Total obligations	5,000

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

Activity: International Trade Administration
Subactivity: Import Administration

Performance Goal		2009		2010		2011		2011		Increase/ (Decrease)	
		Actual	Amount	Currently Available	Amount	Base	Amount	Estimate	Amount	Personnel	Amount
Identify and Resolve Unfair Trade Practices	Pos./BA	415	66,357	415	68,290	415	69,792	424	72,912	9	3,120
	FTE/Obl.	298	66,676	331	69,078	331	69,792	336	72,912	5	3,120
Total	Pos./BA	415	66,357	415	68,290	415	69,792	424	72,912	9	3,120
	FTE/Obl.	298	66,676	331	69,078	331	69,792	336	72,912	5	3,120

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**Department Of Commerce
International Trade Administration
JUSTIFICATION OF PROGRAM AND PERFORMANCE
Import Administration**

Safeguard U.S. Industries and Jobs Against Unfair Trade

Department of Commerce Goal

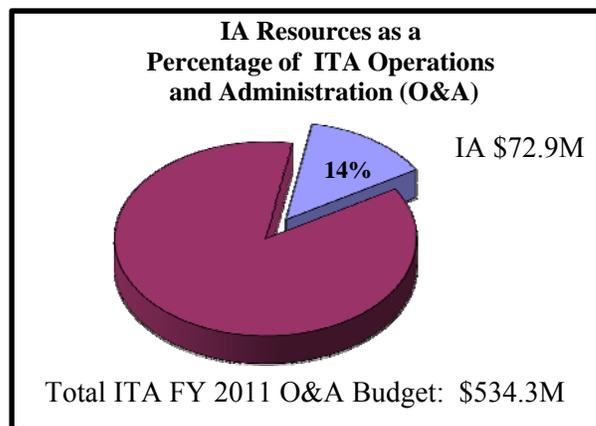
Maximize U.S. competitiveness and enable economic growth for American industries, workers and consumers.

Mission and Goals for FY 2011

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

IA achieves its mission and goals by:

- Conducting statutorily mandated antidumping (AD) and countervailing duty (CVD) investigations, administrative reviews, new shipper reviews, sunset reviews, changed circumstances reviews, and scope and anti-circumvention inquiries within statutory and/or regulatory time limits, and negotiating and enforcing suspension and other bilateral agreements, which address injurious dumping or subsidization;
- Defending the determinations of the agency in the World Trade Organization (WTO) and North American Free Trade Agreement (NAFTA) dispute settlement proceedings and domestic courts;
- Closely working with U.S. Customs and Border Protection (CBP), the Department of Justice (DOJ), and other agencies to identify and counter evasion of AD and CVD duties;
- Negotiating strong, effective and transparent disciplines on unfair trade practices in multilateral fora, such as the WTO, and various Free Trade Agreements (FTAs);
- Analyzing market trends and foreign government and business practices to identify potential unfair trade problems at the earliest stage possible and provide assistance to U.S. businesses harmed by these practices through subsidy enforcement efforts, trade remedy compliance activities and pre-petition counseling;
- Monitoring persistent and fundamental structural problems affecting major industries, such as the steel industry, through a variety of fora (e.g., the North American Steel Trade Committee, Organization for Economic Cooperation and Development (OECD) Steel Committee);
- Coordinating the Department's import safety efforts to help prevent unsafe products from entering the United States;
- Implementing trade enforcement activities, such as textile safeguards and the textile provisions



of U.S. preferential programs and FTAs, and monitoring market access and trade compliance issues for U.S. textile, apparel, footwear, and travel goods companies;

- Supporting monitoring, enforcement of and reporting on the 2006 Softwood Lumber Agreement with Canada (2006 SLA);
- Administering textile commercial availability provisions, wool fabric and cotton shirting fabric tariff rate quotas, the Earned Import Allowance certificate program, and other provisions of U.S. preference programs and FTAs;
- Developing new business opportunities to enhance U.S. textile, apparel, footwear, and travel goods industry competitiveness in international markets; and,
- Managing and supporting the Foreign Trade Zones program and certain statutory import programs.

Base Program

Antidumping and Countervailing Duty Program

IA is committed to vigorously enforcing U.S. trade laws. IA promotes freer and fairer trade by administering the U.S. AD and CVD laws in the most transparent and impartial manner and by ensuring compliance by foreign governments and exporters with AD/CVD sections of international trade agreements and applicable U.S. statutes. AD/CVD laws provide domestic industries the opportunity to obtain relief from injury caused by imports of foreign products that are sold at less than fair value or that benefit from foreign government subsidies.

AD/CVD Operations

IA continues to enhance uniformity and consistency in the application of the U.S. trade laws, a goal made more challenging by the recent increase in workload with respect to AD/CVD investigations. In FY 2009, IA initiated 23 new investigations, including 13 involving products from China (seven AD and six CVD). Further, in FY 2009, IA initiated the very first CVD investigation against imports from Vietnam. In FY 2008, IA initiated 35 new investigations, compared to 28 investigations in FY 2007 and 7 and 12 investigations in FY 2006 and FY 2005, respectively. Included in the 35 new investigations were eight CVD investigations of products from China.

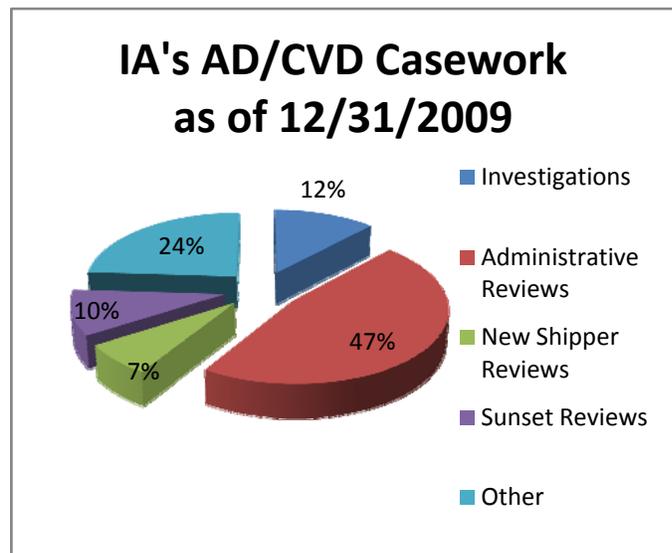


The China/Non Market Economy (China/NME) unit, which managed 68 of the 229 statutory cases that IA completed in FY 2009, is dedicated to the enforcement of the AD law with respect to China and other NME countries. This unit continues to experience an increase in workload as trade cases involving China grow in number and complexity. In addition, this unit enables IA to consolidate and cultivate the expertise necessary to address the unique trade problems associated with conducting AD proceedings involving NME countries, such as irregular financial reporting, fraudulent filings, opaque company relations, and close ties to local and provincial governments.

Certain limitations on the conduct of AD/CVD proceedings have resulted in a reduction in the number of foreign producers and exporters i.e., respondents, examined individually and an increase in the postponement of statutory deadlines. Recent court rulings have taken issue with the limited examination of respondents. Any meaningful increase in the number of respondents examined will likely have a significant impact on resources and the level of analysis conducted.

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

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



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

When the results of a final determination are challenged in the U.S. Court of International Trade, the U.S. Court of Appeals for the Federal Circuit, North American Free Trade Agreement (NAFTA) and/or the WTO, IA's staff provides support to the Chief Counsel for IA, DOJ and/or the Office of the United States Trade Representative (USTR). If a case is remanded to IA by any of the reviewing authorities, the proceeding is re-conducted in accordance with the Court's or Panel's instructions.

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

Major program activities include:

- Analyzing petitions submitted by domestic industries alleging dumping or unfair subsidization with respect to imports into the United States;
- Conducting subsequent investigations of alleged unfair foreign trade practices that were adequately alleged and documented in such petitions;
- Conducting administrative reviews of AD/CVD orders to determine the actual amount of AD and CVD liability;
- Conducting reviews to provide legitimate new shippers the opportunity to obtain their own AD and CVD rates;
- Conducting five-year sunset reviews of AD/CVD orders;
- Conducting scope and anticircumvention inquiries as well as changed circumstance reviews to ensure adequate enforcement of AD/CVD orders and accommodate evolving market conditions;
- Issuing instructions to CBP to impose duties at the border to provide relief to domestic industries when dumping or subsidization has been found to be causing them injury;
- Working closely with CBP and Immigration and Customs Enforcement on investigations of fraudulent activity pertaining to AD/CVD matters; and,
- Playing an integral role with the USTR and other agencies in monitoring and ensuring the enforcement of the 2006 SLA. The 2006 SLA settled litigation regarding AD and CVD orders administered by IA on imports of Canadian softwood lumber and resulted in the termination of those orders. IA provides expertise in monitoring Canada's collection of export taxes and implementation of export quotas on softwood lumber exports per the requirements of the 2006 SLA, as well as monitoring Canada's commitment to not provide new assistance to its lumber industry. In addition, IA provides expertise to DOJ in carrying out arbitration proceedings against Canada before the London Court of International Arbitration to enforce the 2006 SLA.

AD/CVD Policy and Negotiations

IA oversees a variety of programs and policies regarding the administration of the AD/CVD laws. This includes: 1) policy support for AD/CVD cases; 2) the negotiation and administration of all suspension agreements and other bilateral agreements related to AD/CVD cases; 3) analysis and support of cost accounting and financial analysis matters in AD/CVD cases; 4) negotiation of trade remedy disciplines in the ongoing WTO Rules negotiations and in other trade negotiations, such as FTA negotiations; 5) involvement in broader policy issues regarding unfair trade matters; and 6) coordinating the Department's import safety efforts to help prevent unsafe products from entering the United States.

Major program activities within Policy and Negotiations include:

- Policy support for AD/CVD cases: IA's role is to steer the application of policies and procedures in AD/CVD proceedings in a consistent manner, while maintaining broader policy objectives and statutory and international obligations. IA strives to achieve consistency by reviewing case determinations, and by developing new policies for major or emerging issues. IA is responsible for analyzing and informing case investigators and decision makers of the potential ramifications on AD/CVD proceedings posed by developments in the General Agreement on Tariffs and Trade (GATT) and its successor, the WTO.
- Subsidies enforcement: The primary role of Policy's Subsidies Enforcement Office (SEO) is to confront unfair foreign government subsidization and unfair trade practices by providing monitoring, analysis, counseling and advocacy services to U.S. parties harmed by such trade-distorting practices. Section 281 of the Uruguay Round Agreements Act, as further clarified in the Statement of Administrative Action, stipulates the following SEO responsibilities: (1) coordinate U.S. CVD duty and multilateral subsidies enforcement efforts; (2) assist the private sector by monitoring foreign subsidies and identifying instances of subsidization which can be remedied under the WTO Subsidies

Agreement and U.S. law; and (3) submit an Annual Report to Congress. The SEO serves as a focal point for responding to private sector inquiries regarding subsidies disciplines and remedies, and assists the U.S. private-sector by monitoring foreign subsidies and identifying instances of subsidization that can be addressed under the provisions of the WTO Subsidies Agreement or U.S. law. The SEO identifies and/or evaluates on average over 600 unfair trade practices each fiscal year, of which approximately 300 relate to China. SEO staff are also well placed to help the agency provide focused, comprehensive and effective analysis of energy, trade remedy and climate matters as the United States and its trading partners seek to understand and manage the increasing convergence of these three policy areas. This reflects the Administration's goal to make trade policy a more integral part of the solution for addressing international environmental challenges. Another key component of the SEO's work, in close cooperation with USTR, is to coordinate the U.S. Government's (USG) efforts in foreign CVD investigations brought against U.S. exports. SEO experts work closely with all relevant Federal, State and local government agencies that administer alleged U.S. subsidy programs to ensure that U.S. interests are well defended in these government-to-government proceedings.

- All aspects of the WTO related to trade remedies: IA works actively to advance U.S. interests in the WTO rules negotiations by supporting strong, effective, and transparent trade remedy disciplines that address injurious dumping and unfair subsidization in the marketplace. IA's primary objective in these negotiations is to maintain and enhance the U.S. ability to address and curtail trade-distorting practices that interfere with and undermine the optimal operation of a liberalized trading system, thereby denying U.S. firms and workers their full share of benefits under such a system. In addition, IA participates in the AD committee, the subsidies committee, the safeguards committee and any other committee that could affect U.S. trade remedy interests. A key goal in participating in these committees is to closely monitor China's compliance with its WTO accession protocol, which includes reviewing China's AD and subsidies practices through mechanisms such as the annual transitional review. IA also assists countries in meeting WTO obligations through technical assistance. To facilitate transparency and fulfill the United States' obligations under Article 16.4 of the Antidumping Agreement and Article 25.11 of the Agreement on Subsidies and Countervailing Measures, IA compiles and reports to the WTO bi-weekly all U.S. preliminary and final actions taken with respect to AD and CVD and, on a semi-annual basis, IA submits a summary of all U.S. AD/CVD actions taken in the preceding six months. All of these efforts are greatly enhanced by a senior IA official permanently stationed in Geneva, Switzerland, who works directly with the USTR and WTO staff on the ground to advance U.S. priorities in this area.
- Free Trade Agreement (FTA) negotiations: IA is actively involved in FTA negotiations to ensure the effectiveness of U.S. trade remedy laws. Further, IA closely monitors FTA negotiations in areas such as competition, agriculture and market access, providing input where needed to maintain consistency on issues such as subsidies, the role of state trading enterprises and monopolies.
- Trade remedy compliance: Policy's Trade Remedy Compliance Staff (TRCS) tracks other countries' use of trade remedies, including AD/CVD and safeguard laws, and provides a point of contact for U.S. companies facing potential unfair trade problems arising from such activities. These efforts are led by a team of technical experts in Washington, D.C., and two IA officers stationed in Beijing, China. The team coordinates closely with other agencies of the USG and the business community in an effort to identify and resolve problems before they develop into trade disputes. TRCS works with many U.S. companies experiencing difficulties with other countries' trade remedy actions, including engaging the foreign governments when circumstances warrant and, if necessary, assisting the USTR in addressing such problems at the WTO. A key facet of the TRCS, as with the SEO, is to promote, through technical exchanges and other outreach programs, improved transparency and fairness on the

part of foreign governments in administering their unfair trade laws, and a greater awareness of the administration and rationale of U.S. trade remedy proceedings.

- **Bilateral Agreements:** The Bilateral Agreements Unit has the responsibility for the negotiation and administration of AD and CVD suspension agreements and other bilateral agreements. The unit's technical experts ensure the effective monitoring of compliance with the agreements as well as consistency across agreements. This unit administers various existing suspension agreements with Russia, Ukraine, Mexico, and Argentina, covering products such as steel, ammonium nitrate, uranium, tomatoes and lemon juice. Administering these agreements includes such responsibilities as calculating export limits and reference prices, monitoring compliance with export limits, and calculating normal values, or "minimum prices," for signatory producers/exporters.
- **Pre-petition counseling:** IA continues to expand its outreach efforts to industries and workers harmed by unfair foreign trade, particularly small and medium-sized firms that may be unfamiliar with the remedies available under the trade laws or that may be unable to afford legal assistance. Pre-petition counseling staff meets with U.S. companies and industries that express an interest in filing an AD or CVD petition, provide materials to assist such companies/industries in drafting a petition, review draft petitions, and maintain a website and hotline geared toward educating the public about the trade remedy laws. In the past two years, 490 initial and follow-up petition counseling sessions were conducted with a wide variety of firms, including numerous small and medium-sized businesses.
- **Steel Import Monitoring and Analysis:** The Steel Import Monitoring and Analysis (SIMA) system is a web-based steel import licensing and monitoring program that provides the Administration and the public with the earliest accurate information possible regarding steel imports. It covers imports of all basic steel mill products. More than 2.55 million import licenses have been issued by IA's web-based system since its inception in March 2003. The SIMA group has also developed a web-based NAFTA steel monitoring system as part of the North American Steel Trade Committee's Steel Strategy.
- **Statutory import programs:** IA administers and regulates the U.S. Insular Possessions Watch and Jewelry Programs authorized by P.L. 97-446, as amended by P.L. 103-465, P.L. 106-36 and P.L. 108-429, and the Educational, Scientific and Cultural Materials Importations Act (Florence Agreement) authorized by P.L. 89-651, as amended by P.L. 106-36. The Insular Watch Program provides duty exemption allocations for watches and watch movements entering the United States. The Insular Watch and Jewelry Programs provide duty refund benefits, based on creditable wages and fringe benefits, to timepiece producers located in the U.S. Insular Possessions (Virgin Islands, Guam, American Samoa, and the Northern Mariana Islands). The Florence Agreement Program implements U.S. treaty obligations under Annex D of the United Nations Educational, Scientific and Cultural Organization (UNESCO)-sponsored Florence Agreement by determining whether scientific instruments imported into the United States by non-profit institutions qualify for duty-free entry. This program allows the duty-free flow of scientific instruments to universities and other non-profit institutions to encourage research and education, as long as equivalent scientific instruments are not being produced in the United States. IA also records and tabulates data on the duty-free entry of articles for the handicapped under Annex E (ii) of the Nairobi Protocol in accordance with the safeguard provision of P.L. 100-418, as amended by P.L.100-647. The safeguard provision allows U.S. companies or industries to petition to have the duties reinstated if U.S. companies or industries are being adversely impacted by the duty-free entry of certain articles for the handicapped. IA also provides input on trade policy issues involving watches, jewelry, scientific instruments and articles for the handicapped.

- Import safety: IA is the lead agency within the Department on import safety issues. In addition to overall coordination responsibility for the Department's various import safety activities, IA actively participates in interagency working groups on import safety. These groups are responsible for intergovernmental cooperation on critical issues such as ensuring that all federal departments and agencies are working together with shared objectives, but also that all parties involved in the import life cycle -- including private parties and trading partners --are cooperating to prevent unsafe products from entering the United States and to take swift and effective action if such products do enter domestic commerce.
- The Office of Accounting is responsible for ensuring that IA uses sound accounting and financial principles in administering the AD/CVD laws. In this role, the office supports all IA offices involved with the AD/CVD program. The office performs all investigative aspects of casework, including on-site verifications related to the cost of production and the constructed value aspects of AD and CVD investigations, administrative reviews and suspension agreements. The complexities of these issues require expert knowledge in both U.S. and foreign accounting practices. The office also provides litigation support to the Office of the Chief Counsel. The expertise provided by the Office of Accounting applies to a large number of AD/CVD cases and litigation and supports many other program and administrative activities of IA.

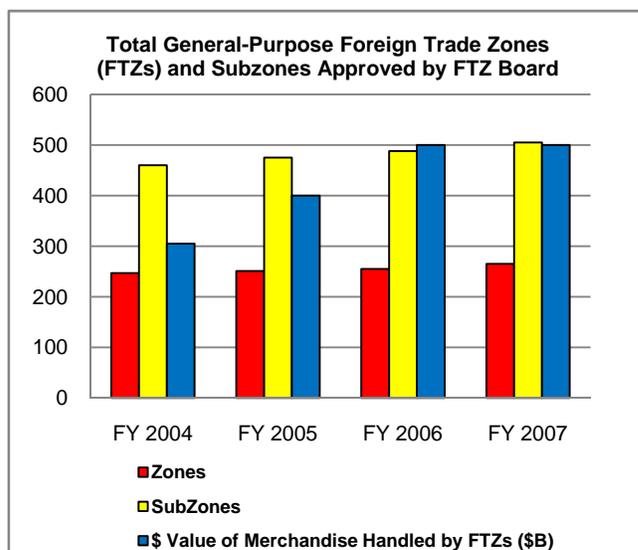
Textiles, Apparel, Footwear, and Travel Goods Program

IA's Office of Textiles and Apparel administers and enforces agreements concerning textile, apparel, footwear and travel goods and works to ensure fair trade and a level playing field for the U.S. fiber, textile, apparel, footwear, travel goods and leather industries. The staff seeks and evaluates industry views on international trade issues affecting these industries; formulates textile policy positions on proposed trade agreements and legislative initiatives; provides key technical support to the USTR for negotiating the textiles and apparel chapter in each FTA; and participates in the negotiation of multilateral and bilateral agreements. In addition, this organization administers provisions of U.S. trade agreements and preference programs, such as commercial availability provisions, wool fabric and cotton shirt fabric tariff rate quotas, Earned Import Allowance certificate programs, handloom/folklore designations, and other provisions; and chairs the interagency Committee for the Implementation of Textile Agreements (CITA) which sets policy on textile safeguard actions, actions against illegal transshipment, and other related issues. The organization has an active export-promotion program that assists small and medium-sized U.S. textile and apparel firms to develop and expand their export markets. In FY 2009, the staff generated more than 2,083 trade leads for U.S. textile and apparel firms resulting in projected sales of \$37 million. Matchmaking efforts since 2008 have resulted in sales of nearly \$35 million by several small textile firms to buyers in the Middle East, Morocco, and Russia. The staff works closely with other IA personnel responsible for subsidies and intellectual property rights, concerning China and other countries, to ensure coordinated and well-supported responses to issues affecting textile, apparel, footwear, travel goods, and leather trade. These activities and responsibilities support the President's Trade Policy Agenda goals for transparency in trade policy, building on existing Free Trade Agreements, upholding the U.S. commitment to be a strong partner to developing countries, and addressing unresolved trade issues that lead to trade frictions. The export promotion program assists small and medium-sized companies in job retention and creation.

Foreign-Trade Zones Program

IA administers the Foreign-Trade Zones (FTZ) Program. The FTZ staff serve as the operational arm of the FTZ Board, an interagency body chaired by the Secretary of Commerce. The Board was established to license (grants of authority) and regulate foreign trade zones (customs free zones) under the FTZ Act of 1934 (19 USC 81) and the Board's regulations (15 CFR 400). Foreign Trade Zones are designated sites at which special customs procedures can be used. These procedures allow domestic activity involving foreign items to take place prior to formal customs entry. The FTZ program is designed to help improve the international

competitiveness of U.S. facilities in competition with plants abroad, while ensuring that the activity is in the public interest and is occurring in a secure, controlled environment. The FTZ Board licenses public or public type corporations to administer zones on a local level. Private corporations generally operate the zones under agreement with licensees. Each zone must publish a rate schedule and provide equal access to all companies seeking to use the zone. States and local communities use zones as an element of their economic development efforts. As of the end of FY 2008, there were 253 zones and over 500 sub-zones in the United States employing over 300,000 persons. The volume of exports leaving U.S. foreign-trade zones exceeded \$40 billion in FY 2008.



The formal applications approved for FY 2008 included one for a new zone project, 11 for the expansion of existing zones, 20 for new subzones, and 11 for manufacturing authority within existing zones and subzones. In reviewing new manufacturing in zones and sub-zones in terms of the public interest, the Board evaluates the net economic effect of the proposed operation, considering such factors as: public policy, import penetration, export development, employment impact, and impact on domestic industry. In addition to analyzing applications, the FTZ staff monitors ongoing FTZ activity for compliance with applicable scope and FTZ Board grant restrictions. The FTZ staff is also involved in outreach to local communities to enhance awareness and understanding of the FTZ program as a tool in local economic development.

Summary of Workload and Performance Data

	FY 2008 Actual	FY 2009 Actual	FY 2010 Estimate	FY 2011 Estimate
Percent reduction in trade-distorting foreign subsidy program	1.6%	1.8%	>1.5%	>2%
Percent of Import Administration antidumping and countervailing duty decisions overturned by U.S. Courts	0%	0	<2% (by 2012)	<2% (by 2012)
Percentage of AD/CVD determinations issued within statutory and/or regulatory deadlines	92%	86%	90%	90%
Number of investigation determinations issued	78	37	**	**
Number of administrative review determinations issued	159	135	**	**
Number of new shipper review determinations issued	36	20	**	**
Number of sunset review determinations issued	26	21	**	**
Number of scope/anticircumvention determinations issued	32	62	**	**
Number of changed circumstances determinations issued	9	23	**	**
Percent of instructions sent to U.S. CBP on a timely basis	96%	92%	86%	88%
Percent of ministerial errors in IA's dumping and subsidy calculations	10%	8.1%	<10%	<9%

	FY 2008 Actual	FY 2009 Actual	FY 2010 Estimate	FY 2011 Estimate
Cost Per Workload Unit – Administrative Protective Order Staff Function	\$58	\$55	\$51	\$48
Average time to post to the Internet final decisions in IA proceedings	1 day	1 day	1 day	1 day
Number of new AD/CVD petition counseling sessions conducted by IA staff	52	71	**	**
Number of trade negotiations led and/or supported by IA	31	47	**	**
Number of continued AD/CVD petition counseling sessions conducted by IA staff	198	174	**	**
Number of potential unfair trade practices identified and/or under evaluation	269	220	380	380
Percent of identified unfair trade practices affecting U.S. parties addressed through informal/formal intervention or dispute settlement	27%	20%	18%	18%
Number of technical exchanges and bilateral contacts pursued to improve foreign transparency and impartial treatment	55	71	**	**
Number of steel trade and industry analyses produced, drawn in part from steel import monitoring (SIMA) data	14	14	12	12
Number of identified foreign trade remedy proceedings affecting and of interest to U.S. parties that are addressed through informal/formal intervention or dispute settlement	50	72	**	**
Percent of identified foreign trade remedy proceedings affecting and of interest to U.S. parties that are addressed through informal/formal intervention or dispute settlement	94%	94	**	**
Number of identified market access and trade compliance issues for U.S. textile firms under review	24	16	12	10
Percent of identified market access and trade compliance issues for U.S. textile firms resolved	80%	86%	70%	70%
Number of textile events/seminars planned/supported	63	62	50	50
Dollar value of textile sales generated (\$ in millions)	\$37.9	\$37.3	\$35	\$35
Number of new to export textile companies	12	7	10	10
Number of new to market textile companies	34	54	35	35
Percent of wool/cotton shirting tariff rate quota licenses issued on time	100%	100%	100%	100%
Percent of commercial availability cases processed within statutory deadlines	100%	100%	100%	100%
Average time to process new Foreign Trade Zones (FTZ) applications	9.4 months	8.4 months	10 months	**
Number of FTZ and FTZ subzones in operation (estimates)	384	385	385	**
Dollar value of merchandise handled by FTZs (\$ in billions) (estimates)	692	\$500	\$500	**

	FY 2008 Actual	FY 2009 Actual	FY 2010 Estimate	FY 2011 Estimate
Dollar value of exports (\$ in billions) (estimates)	40	\$30	\$30	**
Percent of applications for duty-free treatment of scientific instruments processed in 60 days	100%	95%	70%	70%
Percent of insular watch duty exemptions and insular watch and jewelry duty-refund benefits issued to the U.S. companies within the statutory and regulatory deadlines	100%	100%	100%	100%
Number of duty-free applications processed	47	60	63	63

Note:

**It is not possible to develop reliable estimates as these measures are highly influenced by outside trade factors.

**DEPARTMENT OF COMMERCE
INTERNATIONAL TRADE ADMINISTRATION
Operations and Administration
PROGRAM INCREASE FOR FY 2011
(Dollar amounts in thousands)**

		FY 2011 Base		FY 2011 Estimate		Increase (Decrease)	
		<u>Personnel</u>	<u>Amount</u>	<u>Personnel</u>	<u>Amount</u>	<u>Personnel</u>	<u>Amount</u>
Import Administration	Pos./BA	415	\$69,792	424	\$72,912	9	\$3,120
	FTE/Obl.	331	\$69,792	336	\$72,912	5	\$3,120

National Export Initiative (+5 FTE, \$3,120,000): ITA is requesting 5 FTE and \$3.1 million to support Import Administration's contribution to the implementation of the Agency-wide "National Export Initiative" which will expand exports for economic growth and job creation. In addition to the above mentioned 5 FTE, Import Administration will add the equivalent of 1 Locally Engaged Staff (LES) to its overseas presence. The Statement of Need, Proposed Actions and Benefits of this initiative are provided beginning on page ITA – 37 of this document.

Import Administration will contribute to the following activity outlined in the National Export Initiative:

- Increase funding for trade compliance/enforcement.

	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Performance Measures					
Number of potential unfair trade practices identified and/or under evaluation	450	500	500	500	500
Percent of identified unfair trade practices affecting U.S. parties addressed through informal/formal intervention or dispute settlement	30%	35%	35%	35%	35%
Percent of initial questionnaire responses submitted on time in foreign CVD proceedings involving U.S. exports	100%	100%	100%	100%	100%
Percent of supplemental questionnaire responses submitted on time in foreign CVD proceedings involving U.S. exports	80%	82%	84%	86%	88%

FY 2011 FY 2012 FY 2013 FY 2014 FY 2015

Cost and Benefits: (Dollars in Thousands)

Direct Obligations:

Uncapitalized	\$3,120	\$3,120	\$3,120	\$3,120	\$3,120
Capitalized	0	0	0	0	0
Budget Authority	\$3,120	\$3,120	\$3,120	\$3,120	\$3,120
Outlays	\$2,184	\$2,808	\$3,120	\$3,120	\$3,120
FTE	5	10	10	10	10

**Department of Commerce
International Trade Administration
Operations and Administration
PROGRAM CHANGE PERSONNEL DETAIL**

Activity:	Import Administration				
Subactivity:	Import Administration				
Program Change:	National Export Initiative				
Title:					
		<u>Grade</u>	<u>Number</u>	<u>Salary</u>	<u>Salaries</u>
Senior Import Policy Analysts		GS-14	2	\$ 119,238	\$ 238,476
Import Policy Analysts		GS-13	2	\$ 100,904	\$ 201,808
			<u>4</u>		<u>\$ 440,284</u>
Subtotal					\$ 440,284
Less Lapse	25%		<u>(1)</u>		<u>\$ (110,071)</u>
Total Full-time permanent:			<u>3</u>		<u>\$ 330,213</u>
2011 Pay Adjustment	1.4%				<u>\$ 4,623</u>
Subtotal			<u>3</u>		<u>\$ 334,836</u>
Locally Engaged Staff			3	\$ 53,000	\$ 159,000
					<u>\$ 159,000</u>
Subtotal					\$ 159,000
Less Lapse	50%		<u>(1)</u>		<u>\$ (79,500)</u>
Total Full-time permanent:			<u>2</u>		<u>\$ 79,500</u>
2011 Pay Adjustment	1.4%				<u>\$ 1,113</u>
Subtotal			<u>2</u>		<u>\$ 80,613</u>
Foreign Service Officer-Senior Import Administration Officer		FS-01	2	\$ 144,277	\$ 288,554
Foreign Service Officer-Import Administration Officer		FS-02	3	\$ 116,907	\$ 350,721
			<u>5</u>		<u>\$ 639,275</u>
Subtotal					\$ 639,275
Less Lapse	50%		<u>(3)</u>		<u>\$ (319,638)</u>
Total Full-time permanent:			<u>2</u>		<u>\$ 319,637</u>
2011 Pay Adjustment	1.4%				<u>\$ 4,475</u>
Subtotal			<u>2</u>		<u>\$ 324,112</u>
Total					<u>\$ 739,561</u>

Personnel Data

Full-time Equivalent Employment	
Full-time permanent	5
Other than full-time permanent	<u>0</u>
Total	<u>5</u>
Authorized Positions:	
Full-time permanent	9
Other than full-time permanent	<u>0</u>
Total	<u>9</u>

Department of Commerce
International Trade Administration
Operations and Administration
PROGRAM CHANGE DETAIL BY OBJECT CLASS
(Dollar amounts in thousands)

Activity: Import Administration
Sub activity: Import Administration
Program Changes: National Export Initiative

Object Class	2011 Increase
11 Personnel compensation	
11.1 Full-time permanent	740
11.3 Other than full-time permanent	0
11.5 Other personnel compensation	60
11.8 Special personnel services payments	0
11.9 Total personnel compensation	800
12.1 Civilian personnel benefits	266
13 Benefits for former personnel	0
21 Travel and transportation of persons	368
22 Transportation of things	51
23.1 Rental payments to GSA	31
23.2 Rental payments to others	87
23.3 Communications, Utilities and miscellaneous charges	55
24 Printing and reproduction	18
25.1 Consulting services	0
25.2 Other services	790
25.3 Purchase of goods and services	522
26 Supplies and materials	6
31 Equipment	123
32 Lands and structures	0
33 Investments and loans	0
41 Grants, subsidies and contributions	3
42 Insurance claims and indemnities	0
43 Interest and dividends	0
44 Refunds	0
99 Total obligations	3,120

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

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

		2009		2010		2011		2011		Increase/ (Decrease)	
		Actual	Amount	Currently Available	Amount	Base	Amount	Estimate	Amount	Personnel	Amount
<u>Performance Goal</u>											
Broaden and Deepen the U.S. Exporter Base	Pos./BA	1,119	237,739	1,149	258,438	1,149	259,974	1,279	321,052	130	61,078
	FTE/Obl.	1,041	242,660	1,041	260,373	1,051	259,974	1,148	321,052	97	61,078
Total	Pos./BA	1,119	237,739	1,149	258,438	1,149	259,974	1,279	321,052	130	61,078
	FTE/Obl.	1,041	242,660	1,041	260,373	1,051	259,974	1,148	321,052	97	61,078

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**Department Of Commerce
International Trade Administration
JUSTIFICATION OF PROGRAM AND PERFORMANCE
Trade Promotion and the U.S. and Foreign Commercial Service**

America’s Global Business Partner

Department of Commerce Goal

Maximize U.S. competitiveness and enable economic growth for American industries, workers and consumers.

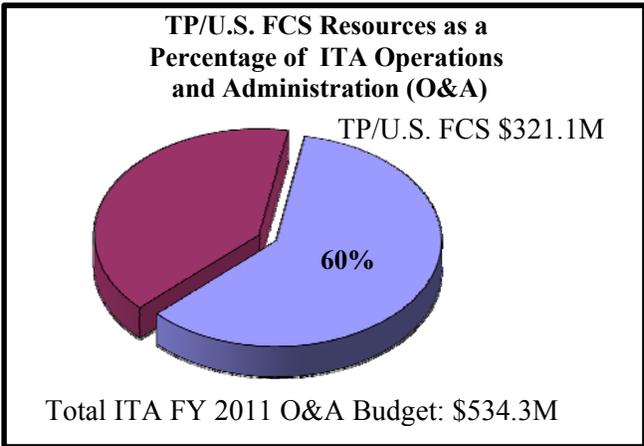
Mission and Goals for FY 2011

The Trade Promotion and U.S. & Foreign Commercial Service (Commercial Service) mission is to promote exports, particularly by assisting small and medium-sized enterprises (SMEs), and to protect U.S. business interests abroad.

The Commercial Service’s mission is aligned with the Department’s outcomes to “Broaden and Deepen the U.S. Exporter Base,” and “Identify and Resolve Unfair Trade Practices.” The Commercial Service achieves its mission and goals by:

- Increasing the number of U.S. companies exporting;
- Expanding exports of U.S. goods and services;
- Helping U.S. SMEs become effective exporters;
- Advancing U.S. commercial interests abroad;
- Enhancing public and private partnerships; and,
- Achieving organizational excellence.

In FY 2009, the programs and services of the Commercial Service helped support or create over 250,000 U.S. jobs. The Commercial Service accomplished this by facilitating exports primarily by small and medium-sized business and by conducting advocacy and commercial diplomacy for U.S. firms of all sizes. In FY 2009, the Commercial Service facilitated exports by 5,586 U.S. companies, a three percent increase from 2008. Of these firms, over 85 percent were SMEs. The Commercial Service helped 832 SMEs export for the first time and 2,876 SMEs enter a new market, an increase of 95% and 31% respectfully from 2008. The Commercial Service also reported 196 Commercial Diplomacy Successes exceeding its target of 162 by 21 percent.



Base Program

The primary mission of the Commercial Service is to strengthen American competitiveness and job creation by promoting U.S. exports, primarily by small and medium-sized business, and advancing U.S. commercial interests abroad. This mission is fulfilled by a global network of trade professionals located in over 250 domestic and international offices that help U.S. businesses, particularly small and medium-sized businesses, capitalize on export opportunities and gain market share. The Commercial Service also provides diplomatic support for trade compliance, advocacy, and trade policy initiatives.

The organization coordinates its efforts with state, local, and other Federal partners to multiply its impact and ensure there is no overlap in services. The Commercial Service includes the Trade Promotion Coordinating Committee (TPCC) secretariat and the Advocacy Center. The TPCC is chaired by the Secretary of Commerce and is composed of 19 Federal agencies that work together to coordinate and streamline trade promotion and financing services. The

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

TPCC develops and implements a government-wide strategic plan for Federal trade promotion efforts, and submits the annual National Export Strategy report to Congress. The Advocacy Center coordinates U.S. Government advocacy support to level the playing field on behalf of U.S. business interests (including defense trade) as they compete against foreign firms for specific international contracts or other U.S. export opportunities.

In order to increase its ability to reach more exporters, the Commercial Service began establishing strategic partnerships with the private sector in FY 2003. To date, the Commercial Service has partnerships with FedEx, Google, eBay, PNC Bank, UPS, M&T Bank, City National Bank, Commercial Bank, TD Bank, Zions Bank, Baker & McKenzie, and the United States Postal Service. The Commercial Service is working toward establishing partnerships with several other private sector entities. These partnerships allow the Commercial Service to leverage the resources and expertise of its partners to promote the benefits of exporting and to improve access to Commercial Service programs and services. The partners assist in the development and support of outreach events such as U.S. export education seminars and conferences, and in the joint development of marketing and direct mail materials for Commercial Service programs.

The Commercial Service maintains a strategic professional development program. This program includes trade compliance training, human rights and customer service training, commercial tradecraft training, and leadership development to ensure that Commercial Service trade professionals can help U.S. firms, especially SMEs, compete in the global economy. The Commercial Service supplements core e-commerce tools with worldwide videoconferencing, designed to lower the cost of doing business for U.S. small and medium-sized businesses, and instant internet meetings to improve coordination, improve training opportunities, and lower travel costs.

The Commercial Service's overseas offices cover areas encompassing 94 percent of global Gross Domestic Product (GDP) outside the United States. About 75 percent of these offices are located in U.S. embassies and consulates. The Department of State plans to build 150 new embassy compounds over a multiple year period. Under the Capital Security Cost Sharing (CSCS) program, the Department of State

charges agencies represented in these compounds on a per capita basis. The CSCS charges began in FY 2005 and are projected to continue at the FY 2011 rate through at least FY 2018. In FY 2011, ITA requests \$21.3 million for CSCS. Without these requested funds, ITA will be required to significantly reduce its overseas presence.

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

Export Promotion

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

Advocacy

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

Compliance

- *Trade barriers*, which includes working with ITA's compliance offices and the USTR to identify and resolve barriers affecting U.S. small and medium-sized businesses and ensuring overseas compliance with trade law and regulations;
- *Public outreach*, which identifies overseas market access, dumping, and subsidy problems, and works with ITA compliance offices for resolution; and
- *Analysis*, which identifies violations and access problems, and conveys market information to specialists for policy direction and coordination.

e-Commerce

The Commercial Service is leading ITA's upgrade of its client relationship management system to create a unified, enterprise-wide view of the customer and present a single face to U.S. businesses. This system will ensure that communication with U.S. businesses is handled in a timely manner. The Commercial Service uses two major e-commerce tools to help U.S. business evaluate new overseas markets and take advantage of foreign sales opportunities:

- *Export.gov*, which distributes Commercial Service public information about export markets, including business opportunities, regulatory issues, and trade policy; and
- *BuyUSA.gov*, the Commercial Service's field-based web presence for U.S. exporters and foreign buyers.

Summary of Workload and Performance Data

	FY 2008 Actual	FY 2009 Actual	FY 2010 Estimate	FY 2011 Estimate
Increase in the Annual Growth Rate of Total Small and Medium-Sized (SME) Exporters	New	4.69%	2.80%	2.80%
Percentage of Advocacy Bids Won	New	11%	17%	17%
Commercial Diplomacy Successes	181	196	166	166
Export Success Firms/Active Client Firm (NTM)	New	23.30%	11.00%	11.00%
Foreign Commercial Service SME NTE/Total change in SME exporters	New	15.22%	12.74%	12.74%
Number of SME NTM Firms/SME Firms exporting to two of nine markets	New	3.49%	3.92%	3.92%
Foreign Commercial Service Export Value/Total Costs	N/A	\$123	\$475	\$475
Commercial Service Export Success Firms	New	New	New	5,586
Commercial Service SME NTM Firms	New	New	New	2,876
Commercial Service SME NTE Firms	New	New	New	832
Number of Advocacy Bids Won	New	New	New	30
Number of export transactions made as a result of ITA involvement	12,659	N/A	N/A	N/A
Number of new to export (NTE) successes	426	N/A	N/A	N/A
Number of new-to-market (NTM) export successes	3,625	N/A	N/A	N/A
Number of increase-to-market (ITM) export successes	8,606	N/A	N/A	N/A
Dollar value of advocacy cases completed successfully based on a three-year moving average	\$30.0B	N/A	N/A	N/A
Number of advocacy cases completed successfully based on a three-year moving average	44	N/A	N/A	N/A
Net Promoter Score	57%	N/A	N/A	N/A
Customer Satisfaction	N/A	N/A	N/A	N/A

**DEPARTMENT OF COMMERCE
INTERNATIONAL TRADE ADMINISTRATION
Operations and Administration
PROGRAM INCREASE FOR FY 2011
(Dollar amounts in thousands)**

		FY 2011 Base		FY 2011 Estimate		Increase (Decrease)	
		<u>Personnel</u>	<u>Amount</u>	<u>Personnel</u>	<u>Amount</u>	<u>Personnel</u>	<u>Amount</u>
Trade Promotion and U.S. and Foreign Commercial Service	Pos./BA	1,149	\$259,974	1,279	\$321,052	130	\$61,078
	FTE/Obl.	1,051	\$259,974	1,148	\$321,052	97	\$61,078

National Export Initiative (+97 FTE, \$61,078,000): ITA is requesting 97 FTE and \$61.1 million to support Trade Promotion and U.S. and Foreign Commercial Service’s contribution to the implementation of the Agency-wide “National Export Initiative” which will expand exports for economic growth and job creation. In addition to the above mentioned 97 FTE, the Commercial Service will add the equivalent of 103 Locally Engaged Staff (LES) to its overseas presence. The Statement of Need, Proposed Actions and Benefits of this initiative are provided beginning on page ITA – 37 of this document.

Trade Promotion and U.S. and Foreign Commercial Service will contribute to the following activities outlined in the National Export Initiative:

- Expand the overseas presence of Commercial Service staff in emerging markets¹;
- Increase funding for trade compliance/enforcement;
- Increase funding for innovative public-private partnerships to promote exports;
- Increase outreach/guidance to SMEs capable of entering more challenging markets;
- Identify market opportunities for export-intensive, high-growth industry sectors;
- Increase the number and size of trade missions and reverse trade missions;
- Improve technology and communication infrastructure/tools and increase capacity of Trade Information Center to handle exporter inquiries;
- Strengthen partnerships with large supply-chain companies; and,
- Implement an export promotion plan targeted to top service sectors.

¹ Candidates currently being considered for new overseas offices include: Kabul, Afghanistan; Luanda, Angola; Manama, Bahrain; Maputo, Mozambique; Phnom-Penh, Cambodia; Xiamen, China; Vientiane, Laos; Ulaanbaatar, Mongolia; Baku, Azerbaijan; Nicosia, Cyprus; Tbilisi, Georgia; Bishkek, Kyrgyzstan; Vilnius, Lithuania; Ljubljana, Slovenia; Lyon, France; Hamburg, Germany; Amsterdam, Netherlands; Barcelona, Spain; Havana, Cuba; Kingston, Jamaica; Managua, Nicaragua; and, Port of Spain, Trinidad & Tobago.

	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Performance Measures					
Increase in the Annual Growth Rate of Total Small and Medium-Sized (SME) Exporters	2.85%	2.90%	2.95%	3.00%	3.05%
Percentage of Advocacy Bids Won	18%	18.35%	18.50%	18.65%	18.80%
Commercial Diplomacy Success	172	177	180	183	186
Export Success Firms/ Active Client Firm (NTM)	21.5%	21.75%	21.85%	21.95%	22.05%
Foreign Commercial Service SME NTE/ Total change in SME exporters	13.12%	13.25%	13.30%	13.35%	13.40%
Number of SME NTM Firms/ SME Firms exporting to two of nine markets	5.00%	5.15%	5.25%	5.35%	5.45%
Foreign Commercial Service Export Value/Total Costs	\$500	\$510	\$515	\$520	\$525
Commercial Service Export Success Firms	6,150	6,765	6,880	7,020	7,170
Commercial Service SME NTM Firms	4,200	4,325	4,350	4,400	4,450
Commercial Service SME NTE Firms	950	1000	1,020	1,040	1,060
Number of Advocacy Bids Won	40	45	46	47	48

Cost and Benefits: (Dollars in Thousands)

Direct Obligations:					
Uncapitalized	\$61,078	\$61,078	\$61,078	\$61,078	\$61,078
Capitalized	0	0	0	0	0
Budget Authority	\$61,078	\$61,078	\$61,078	\$61,078	\$61,078
Outlays	\$42,755	\$54,970	\$61,078	\$61,078	\$61,078
FTE	97	123	123	123	123

**Department of Commerce
International Trade Administration
Operations and Administration
PROGRAM CHANGE PERSONNEL DETAIL**

Activity: Trade Promotion and U.S. & Foreign Commerical Service
Subactivity: Trade Promotion and U.S. & Foreign Commerical Service
Program Change: National Export Initiative

<u>Title:</u>		<u>Grade</u>	<u>Number</u>	<u>Salary</u>	<u>Salaries</u>
Supervisory International Trade Specialist		GS-15	2	\$ 140,259	\$ 280,518
Supervisory International Trade Specialist		GS-14	5	\$ 119,238	\$ 596,190
Information Technology Specialist		GS-14	2	\$ 119,239	\$ 238,478
International Trade Specialist		GS-13	18	\$ 100,904	\$ 1,816,272
Information Technology Specialist		GS-13	2	\$ 100,904	\$ 201,808
International Trade Specialist		GS-12	17	\$ 84,855	\$ 1,442,535
International Trade Specialist		GS-11	15	\$ 70,794	\$ 1,061,910
International Trade Specialist		GS-9	10	\$ 58,511	\$ 585,110
Subtotal			<u>71</u>		<u>\$ 6,222,821</u>
Less Lapse	25%		<u>(18)</u>		<u>\$ (1,555,705)</u>
Total Full-time permanent:			53		\$ 4,667,116
2011 Pay Adjustment	1.4%				<u>\$ 65,340</u>
Subtotal			<u>53</u>		<u>\$ 4,732,456</u>
Locally Engaged Staff			138	\$ 53,000	\$ 7,314,000
Subtotal					<u>\$ 7,314,000</u>
Less Lapse	25%				<u>\$ (1,828,500)</u>
Total Full-time permanent:					\$ 5,485,500
2011 Pay Adjustment	1.4%				<u>\$ 76,797</u>
Subtotal					<u>\$ 5,562,297</u>
Foreign Service Officer		FS-01	4	\$ 144,277	\$ 577,108
Foreign Service Officer		FS-02	4	\$ 116,907	\$ 467,628
Foreign Service Officer		FS-03	39	\$ 94,729	\$ 3,694,431
Foreign Service Officer		FS-04	12	\$ 76,759	\$ 921,108
Subtotal			<u>59</u>		<u>\$ 5,660,275</u>
Less Lapse	25%		<u>(15)</u>		<u>\$ (1,415,069)</u>
Total Full-time permanent:			44		\$ 4,245,206
2011 Pay Adjustment	1.4%				<u>\$ 59,433</u>
Subtotal			<u>44</u>		<u>\$ 4,304,639</u>
Total					<u>\$ 14,599,392</u>

Personnel Data

Full-time Equivalent Employment		
Full-time permanent		97
Other than full-time permanent		0
Total		<u>97</u>
Authorized Positions:		
Full-time permanent		130
Other than full-time permanent		0
Total		<u>130</u>

Department of Commerce
International Trade Administration
Operations and Administration
PROGRAM CHANGE DETAIL BY OBJECT CLASS
(Dollar amounts in thousands)

Activity: Trade Promotion and U.S. & Foreign Commerical Service
Sub activity: Trade Promotion and U.S. & Foreign Commerical Service
Program Changes: National Export Initiative

Object Class	2011 Increase
11 Personnel compensation	
11.1 Full-time permanent	14,599
11.3 Other than full-time permanent	0
11.5 Other personnel compensation	438
11.8 Special personnel services payments	0
11.9 Total personnel compensation	15,037
12.1 Civilian personnel benefits	5,270
13 Benefits for former personnel	0
21 Travel and transportation of persons	7,597
22 Transportation of things	610
23.1 Rental payments to GSA	556
23.2 Rental payments to others	1,634
23.3 Communications, Utilities and miscellaneous charges	882
24 Printing and reproduction	44
25.1 Consulting services	0
25.2 Other services	15,033
25.3 Purchase of goods and services	8,460
26 Supplies and materials	368
31 Equipment	5,538
32 Lands and structures	0
33 Investments and loans	0
41 Grants, subsidies and contributions	49
42 Insurance claims and indemnities	0
43 Interest and dividends	0
44 Refunds	0
99 Total obligations	61,078

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

Activity: International Trade Administration
Subactivity: Executive Direction/Administration

		2009		2010		2011		2011		Increase/ (Decrease)	
		Actual		Currently Available		Base		Estimate			
<u>Management Integration Goal</u>		Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount
Achieve Organizational and Management Excellence	Pos./BA	149	25,411	149	27,295	149	26,163	149	28,663	0	2,500
	FTE/Obl.	100	25,627	96	27,352	96	26,163	96	28,663	0	2,500
<u>Distribution by Performance Goal</u>											
Strengthen U.S. Competitiveness in the Global Marketplace	Pos./BA	18	3,097	18	3,327	18	3,189	18	3,494	0	305
	FTE/Obl.	12	3,123	11	3,334	11	3,189	11	3,494	0	305
Broaden and Deepen the U.S. Exporter Base	Pos./BA	89	15,100	89	16,220	89	15,547	90	17,032	1	1,485
	FTE/Obl.	60	15,229	55	16,253	55	15,547	56	17,032	1	1,485
Identify and Resolve Unfair Trade Practices	Pos./BA	42	7,214	42	7,749	42	7,428	42	8,138	0	710
	FTE/Obl.	28	7,275	30	7,765	30	7,428	30	8,138	0	710
Total	Pos./BA	149	25,411	149	27,295	149	26,163	150	28,663	1	2,500
	FTE/Obl.	100	25,627	96	27,352	96	26,163	97	28,663	1	2,500

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**Department Of Commerce
International Trade Administration
JUSTIFICATION OF PROGRAM AND PERFORMANCE
Executive Direction and Administration**

**Supporting Trade Through Leadership and
Effective Resource Management**

Department of Commerce Goal

Achieve Organizational and Management Excellence.

Mission and Goals for FY 2011

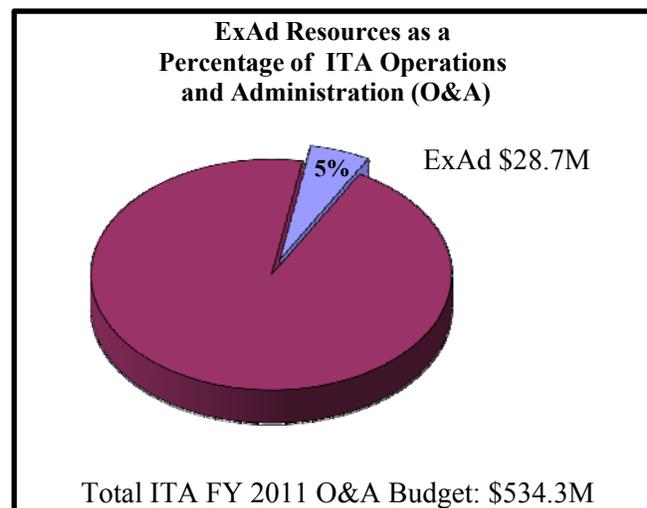
The mission of the Executive Direction and Administration (Ex/Ad) unit is to achieve U.S. trade expansion and economic growth through leadership, well conceived policy guidance, and efficient and effective management of ITA resources. In FY 2011, Ex/Ad will provide the necessary support services, program oversight, and overall policy leadership to allow ITA program units to operate at their full potential. Information Technology (IT) will continue to make technological improvements to its systems and provide IT solutions in order to help make ITA's services seamless and ITA's processes more efficient.

Through the Management Integration Goal: Achieve Organizational and Management Excellence; Ex/Ad supports the three Department of Commerce Outcomes:

- Strengthen U.S. Competitiveness in the Global Marketplace;
- Broaden and Deepen the U.S. Exporter Base; and,
- Identify and Resolve Unfair Trade Practices.

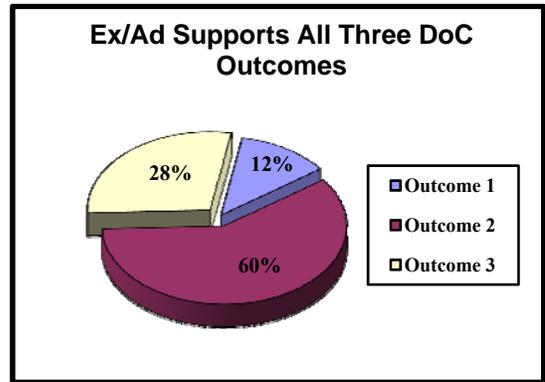
Base Program

The Executive Direction and Administration program includes the offices of the Under Secretary for International Trade, the Chief Financial Officer and Director of Administration, and the Chief Information Officer. Programs and issues concerning trade administration, commercial policy, and trade development are coordinated with the Department of Commerce, ITA customers and stakeholders, trade organizations, foreign entities, and Federal, state and local governments through the Office of the Under Secretary and Deputy Under Secretary for International Trade, the Office of Legislative and Intergovernmental Affairs (OLIA), and the Office of Public Affairs (OPA). For example,



Executive Direction represents ITA on the National Economic Council, the Trade Policy Review Group, and serves as ex-officio member of the Board of the Export-Import Bank of the United States, and on other Secretarial level boards, committees or panels for which the primary focus is international trade. OLIA acts as a liaison to the U.S. Government’s legislative branch. Through its work, OLIA informs Congress of the important successes ITA makes and keeps ITA aware of new trade-related legislative initiatives. OPA broadcasts ITA’s services and successes to the appropriate press and business audiences in the U.S. and around the world. OPA publishes a monthly electronic newsletter, International Trade Update, which highlights ITA’s efforts, its clients’ successes, and provides a resource for small and medium-sized enterprises interested in exporting.

The Chief Financial Officer and Director of Administration, through the Office of Financial Management, Office of Management and Organization, and Office of Strategic Resources, oversees the agency’s resources and measures program performance to ensure ITA’s success in achieving its strategic goals. These offices provide shared services solutions to ITA programs and manage the administrative aspects of ITA, and ensure the needs of ITA clients and employees are fulfilled. ITA understands the importance of using reliable and accurate financial data, as well as the ability of this data to demonstrate the proud achievements of the organization. Through the use of integrated systems, program analysis and evaluation, planning strategically and continuous business process improvement, the offices of the Chief Financial Officer and Director of Administration enable ITA programs to operate at maximum efficiency and improve overall effectiveness. In addition, strong links between performance and budgets are maintained ensuring that strategic objectives are met.



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

Summary of Workload and Performance Data

	FY 2008 Actual	FY 2009 Actual	FY 2010 Estimate	FY 2011 Estimate
Customer satisfaction survey score*	70	70	72	72
Customer perception for ease of access to export and trade information and data	75	73	76	76

* ITA’s last customer service survey took place in 2006. Therefore, the score remains 70 in FY 2009.

**DEPARTMENT OF COMMERCE
INTERNATIONAL TRADE ADMINISTRATION
Operations and Administration
PROGRAM INCREASE FOR FY 2011
(Dollar amounts in thousands)**

		FY 2011 Base		FY 2011 Estimate		Increase (Decrease)	
		<u>Personnel</u>	<u>Amount</u>	<u>Personnel</u>	<u>Amount</u>	<u>Personnel</u>	<u>Amount</u>
Executive Direction and Administration	Pos./BA	149	\$26,163	150	\$28,663	1	\$2,500
	FTE/Obl.	96	\$26,163	97	\$28,663	1	\$2,500

National Export Initiative (+1 FTE, \$2,500,000): ITA is requesting 1 FTE and \$2.54 million to support Executive Direction and Administration’s contribution to the implementation of the Agency-wide “National Export Initiative” which will expand exports for economic growth and job creation. The Statement of Need, Proposed Actions and Benefits of this initiative are provided beginning on page ITA – 37 of this document.

Executive Direction and Administration will contribute to the following activity outlined in the National Export Initiative:

- Improve technology and communication infrastructure/tools and increase capacity of Trade Information Center to handle exporter inquiries;

In addition, the program will support all other activities of the National Export Initiative.

	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Cost and Benefits: (Dollars in Thousands)					
Direct Obligations:					
Uncapitalized	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500
Capitalized	0	0	0	0	0
Budget Authority	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500
Outlays	\$1,750	\$2,250	\$2,500	\$2,500	\$2,500
FTE	1	1	1	1	1

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**Department of Commerce
International Trade Administration
Operations and Administration
PROGRAM CHANGE PERSONNEL DETAIL**

Activity: Executive Direction and Administration
Subactivity: Executive Direction and Administration
Program Change: National Export Initiative

<u>Title:</u>		<u>Grade</u>	<u>Number</u>	<u>Salary</u>	<u>Salaries</u>
Information Technology Specialist		GS-14	1	\$ 119,238	\$ 119,238
Subtotal			<u>1</u>		<u>\$ 119,238</u>
Less Lapse	25%		<u>0</u>		<u>\$ (29,810)</u>
Total Full-time permanent:			<u>1</u>		<u>\$ 89,428</u>
2011 Pay Adjustment	1.4%				<u>\$ 1,252</u>
Subtotal			<u>1</u>		<u>\$ 90,680</u>
Total					<u>\$ 90,680</u>

Personnel Data

Full-time Equivalent Employment					
Full-time permanent			1		
Other than full-time permanent			<u>0</u>		
Total			<u>1</u>		
Authorized Positions:					
Full-time permanent			1		
Other than full-time permanent			<u>0</u>		
Total			<u>1</u>		

Department of Commerce
International Trade Administration
Operations and Administration
PROGRAM CHANGE DETAIL BY OBJECT CLASS
(Dollar amounts in thousands)

Activity: Executive Direction and Administration
Sub activity: Executive Direction and Administration
Program Changes: National Export Initiative

Object Class	2011 Increase
11 Personnel compensation	
11.1 Full-time permanent	91
11.3 Other than full-time permanent	0
11.5 Other personnel compensation	3
11.8 Special personnel services payments	0
11.9 Total personnel compensation	94
12.1 Civilian personnel benefits	27
13 Benefits for former personnel	0
21 Travel and transportation of persons	7
22 Transportation of things	0
23.1 Rental payments to GSA	10
23.2 Rental payments to others	0
23.3 Communications, Utilities and miscellaneous charges	2
24 Printing and reproduction	2
25.1 Consulting services	0
25.2 Other services	2,329
25.3 Purchase of goods and services	20
26 Supplies and materials	1
31 Equipment	8
32 Lands and structures	0
33 Investments and loans	0
41 Grants, subsidies and contributions	0
42 Insurance claims and indemnities	0
43 Interest and dividends	0
44 Refunds	0
99 Total obligations	2,500

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

Object Class	2009 Actual	2010 Estimate	2011 Adjustments to Base	2011 Base	2011 Estimate	Increase/ (Decrease)
11 Personnel compensation						
11.1 Full-time permanent	152,835	177,866	5,659	183,525	202,892	19,367
11.3 Other than full-time permanent	22,818	21,369	108	21,477	21,477	0
11.5 Other personnel compensation	11,141	7,039	(120)	6,919	7,537	618
11.8 Special personnel services payments	0	7	0	7	7	0
11.9 Total personnel compensation	<u>186,794</u>	<u>206,281</u>	<u>5,647</u>	<u>211,928</u>	<u>231,913</u>	<u>19,985</u>
12.1 Civilian personnel benefits	55,446	59,194	3,685	62,879	69,681	6,802
13 Benefits for former personnel	1,000	3,442	92	3,534	3,534	0
21 Travel and transportation of persons	10,499	14,802	(1,682)	13,120	23,433	10,313
22 Transportation of things	1,022	2,098	9	2,107	2,851	744
23.1 Rental payments to GSA	13,566	14,975	210	15,185	16,384	1,199
23.2 Rental payments to others	10,426	11,252	(53)	11,199	13,020	1,821
23.3 Communications, utilities and miscellaneous charges	7,628	9,508	305	9,813	10,964	1,151
24 Printing and reproduction	1,991	1,890	12	1,902	2,082	180
25.1 Consulting services	3,041	2,623	18	2,641	2,778	137
25.2 Other services	26,019	17,313	(1,310)	16,003	37,607	21,604
25.3 Purchase of goods and services from Gov't accounts	98,633	90,493	193	90,686	101,637	10,951
25.4 Operations and maintenance of facilities	18	15	0	15	15	0
25.7 Operations and maintenance of equipment	57	302	2	304	304	0
26 Supplies and materials	3,827	2,463	2	2,465	2,903	438
31 Equipment	3,251	8,110	(1,726)	6,384	12,469	6,085
32 Lands and structures	0	0	0	0	0	0
33 Investments and loans	0	0	0	0	0	0
41 Grants, subsidies and contributions	6,253	6,130	(5,615)	515	2,573	2,058
42 Insurance claims and indemnities	130	26	0	26	26	0
43 Interest and dividends	2	0	0	0	0	0
44 Refunds	0	91	0	91	91	0
99 Total Direct Obligations	<u>429,602</u>	<u>451,008</u>	<u>(211)</u>	<u>450,797</u>	<u>534,265</u>	<u>83,468</u>
Less Prior Year Recoveries	(7,078)	0	0	0	0	0
Less Refunds	(471)	0	0	0	0	0
Less Unobligated balance, start of year	(3,891)	(4,243)	4,243	0	0	0
Less Unobligated balance, transferred	(1,976)	0	0	0	0	0
Plus Unobligated balance, expiring	3	0	0	0	0	0
Plus Unobligated balance, end of year	4,243	0	0	0	0	0
Net Budget Authority	<u>420,431</u>	<u>446,765</u>	<u>4,032</u>	<u>450,797</u>	<u>534,265</u>	<u>83,468</u>

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

	2009 Actual	2010 Estimate	2011 Base	2011 Estimate	Increase/ (Decrease)
Personnel Data					
Full-Time equivalent Employment:					
Full-time permanent	0	1,765	1,775	1,916	141
Other than full-time permanent	0	116	116	116	0
Total	0	1,881	1,891	2,032	141
Authorized Positions:					
Full-time permanent	0	1,990	1,990	2,180	190
Other than full-time permanent	0	191	191	191	0
Total	0	2,181	2,181	2,371	190

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

Object Class	2011 Adjustments to Base	2011 Base	2011 Estimate	Increase/ (Decrease)
11 Personnel compensation				
11.1 Full-time permanent				
Executive level	11	805	805	0
Senior Executive Service	84	6,185	6,185	0
General schedule	1,717	126,584	134,880	8,296
Senior Foreign Service	100	6,567	6,567	0
Foreign Service Staff	3,186	17,204	22,310	5,106
Foreign Service Nationals	561	26,180	32,145	5,965
Subtotal	5,659	183,525	202,892	19,367
11.3 Other than full-time permanent				
General schedule	325	8,067	8,067	0
Locally engaged staff	(217)	13,407	13,407	
Experts & consultants	0	3	3	0
Subtotal	108	21,477	21,477	0
11.5 Other personnel compensation				
Overtime	0	370	370	0
Cash awards	(78)	4,142	4,722	580
Differentials	(42)	2,407	2,445	38
Subtotal	(120)	6,919	7,537	618
11.8 Special personnel services payments				
Other	0	7	7	0
Subtotal	0	7	7	0
11.9 Total personnel compensation	5,647	211,928	231,913	19,985
12.1 Civilian personnel benefits				
Civil service retirement	(190)	1,448	1,448	0
Federal Employee Retirement	2,063	19,128	21,395	2,267
Thrift savings plan	168	5,540	5,809	269
Federal insurance contribution act	605	8,516	9,542	1,026
Health insurance	1,042	12,518	14,902	2,384
Life insurance	7	119	131	12
FSN/LES Retirement	(10)	6,583	7,427	844
Other	0	9,027	9,027	0
Subtotal	3,685	62,879	69,681	6,802

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

Object Class	2011 Adjustments to Base	2011 Base	2011 Estimate	Increase/ (Decrease)
13.0				
Benefits for former personnel				
Severance pay	0	2,777	2,777	0
Unemployment compensation	92	757	757	0
Subtotal	92	3,534	3,534	0
21				
Travel and transportation of persons				
Common Carrier	(675)	4,638	8,284	3,646
Mileage	(18)	276	493	217
Per diem/actual	(953)	6,263	11,185	4,922
Vehicular	0	198	355	157
Other	(36)	1,745	3,116	1,371
[Overseas estimates]	[(107)]	[5,750]	[10,222]	[4,472]
Subtotal	(1,682)	13,120	23,433	10,313
22				
Transportation of things	9	2,107	2,851	744
[Overseas estimates]	[(4)]	[498]	[673]	[175]
Subtotal	9	2,107	2,851	744
23.1				
Rental payments to GSA	210	15,185	16,384	1,199
23.2				
Rental payments to others	(53)	11,199	13,020	1,821
23.3				
Communications, utilities and miscellaneous charges				
Rental of ADP equipment	0	0	0	0
Rental of office copying equipment	0	16	18	2
Other equipment rental	(11)	894	1,066	172
Federal telecommunications system	(29)	2,317	2,763	446
Other telecommunications services	(1)	1,042	1,243	201
Postal services by USPS	2	41	48	7
HCHB Steam	0	1,157	1,157	0
HCHB Electricity	349	2,674	2,674	0
Other	(5)	1,672	1,995	323
[Overseas estimates]	[(114)]	[12,413]	[14,645]	[2,232]
Subtotal	305	9,813	10,964	1,151

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

Object Class	2011 Adjustments to Base	2011 Base	2011 Estimate	Increase/ (Decrease)	
24	Printing and reproduction				
	Publications	9	1,415	1,551	136
	Public use forms	0	5	5	0
	Envelopes	0	48	52	4
	Other	3	434	474	40
	[Payments to DM, WCF]	[0]	[360]	[360]	[0]
	[Overseas estimates]	[0]	[70]	[75]	[5]
	Subtotal	12	1,902	2,082	180
25.1	Consulting services	18	2,641	2,778	137
25.2	Other services				
	Training:				
	University training	0	26	59	33
	Other	(142)	1,119	2,496	1,377
	Maintenance of equipment	(2)	95	212	117
	Other non-governmental contracts	(385)	9,434	23,353	13,919
	Representation	0	327	327	0
	Other	(781)	5,002	11,160	6,158
	[Overseas estimates]	[(65)]	[6,186]	[13,028]	[6,842]
	Subtotal	(1,310)	16,003	37,607	21,604
25.3	Purchases of goods & services from Gov't accounts				
	Office of Personnel Management Training	3	384	385	1
	GSA reimbursable services	1	170	170	0
	Commerce Business System (CBS)	51	4,022	4,022	0
	Department of State Capital Security Cost Sharing Program	(2,339)	21,335	21,335	0
	Payment to DM, WCF	1,202	33,521	36,212	2,691
	Other Misc. services by other Federal Agencies	(374)	4,999	9,961	4,962
	International Cooperative Support Services (ICASS)	1,649	26,255	29,552	3,297
	Subtotal	193	90,686	101,637	10,951
25.4	Operations and maintenance of facilities	0	15	15	0
25.7	Operations and maintenance of equipment	2	304	304	0

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

Object Class	2011 Adjustments to Base	2011 Base	2011 Estimate	Increase/ (Decrease)	
26	Supplies and materials				
	Office Supplies	6	1,582	1,863	281
	ADP supplies	1	85	109	24
	Other	(5)	798	931	133
	[Overseas estimates]	[(10)]	[1,006]	[1,176]	[170]
	Subtotal	2	2,465	2,903	438
31	Equipment				
	Office machines and equipment	(19)	1,700	2,363	663
	ADP hardware	1	183	911	728
	ADP software	1	1,979	2,749	770
	Other	(1,709)	2,522	6,446	3,924
	[Overseas estimates]	[(1,765)]	[1,497]	[2,162]	[665]
	Subtotal	(1,726)	6,384	12,469	6,085
32	Lands and structures	0	0	0	0
33	Investments	0	0	0	0
41	Grants, subsidies and contributions	(5,615)	515	2,573	2,058
42	Insurance claims and indemnities	0	26	26	0
43	Interest/dividends	0	0	0	0
44	Refunds	0	91	91	0
81	Advances	0	0	0	0
99	Total Obligations	(211)	450,797	534,265	83,468

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

Object Class	2011 Adjustments to Base	2011 Base	2011 Estimate	Increase/ (Decrease)
99 Total Obligations	(211)	450,797	534,265	83,468
Less Prior Year Recoveries	0	0	0	0
Less Refunds	0	0	0	0
Less Unobligated balance, start of year	4,243	0	0	0
Less Unobligated balance, transferred	0	0	0	0
Plus Unobligated Balance, expiring	0	0	0	0
Plus Unobligated balance, end of year	0	0	0	0
Less Transfers from other accounts	0	0	0	0
Net Budget Authority	4,032	450,797	534,265	83,468

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

	Positions	FTE	Budget Authority	Direct Obligations
FY 2010 Currently Available	0	0	5,332	5,332
less: Obligations from prior years	0	0	0	0
plus: 2011 Adjustments-to-Base	0	0	0	0
FY 2011 Base	0	0	5,332	5,332
plus: FY 2011 Program Changes	0	0	(5,332)	(5,332)
Total FY 2011 Estimate	0	0	0	0

Comparison by activity/subactivity	2009		2010		2011		2011		Increase/		
	Actual	Amount	Currently Available	Amount	Base	Amount	Estimate	Amount	Personnel	Amount	
ITA-117 Import Administration	Pos./BA	0	5,332	0	5,332	0	5,332	0	0	0	(5,332)
	FTE/Obl.	0	5,332	0	5,332	0	5,332	0	0	0	(5,332)
TOTALS	Pos./BA	0	5,332	0	5,332	0	5,332	0	0	0	(5,332)
	FTE/Obl.	0	5,332	0	5,332	0	5,332	0	0	0	(5,332)
Adjustments for:											
Recoveries		0		0		0		0		0	
Unobligated balance, start of year		0		0		0		0		0	
Unobligated balance, carryover		0		0		0		0		0	
Unobligated balance, expiring		0		0		0		0		0	
Unobligated balance, end of year		0		0		0		0		0	
Fees collected		0		0		0		0		0	
Rescission		0		0		0		0		0	
Unobligated balance rescission		0		0		0		0		0	
Financing from:											
Transfers to other accounts		0		0		0		0		0	
Transfers from other accounts		(5,332)		(5,332)		(5,332)		0		0	5,332
Appropriation		0		0		0		0		0	0

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

	2009 Actual	2010 Enacted	2011 Base	2011 Estimate	Increase/ (Decrease)
Total Obligations	5,332	5,332	5,332	0	(5,332)
Financing:					
Offsetting collections from:					
Federal funds	0	0	0	0	0
Trust funds	0	0	0	0	0
Non-Federal funds, fee collections	0	0	0	0	0
Recoveries	0	0	0	0	0
Unobligated balance, start of year	0	0	0	0	0
Unobligated balance, carryover	0	0	0	0	0
Unobligated balance, expiring	0	0	0	0	0
Unobligated balance, end of year	0	0	0	0	0
Rescission	0	0	0	0	0
Unobligated balance rescission	0	0	0	0	0
Budget Authority	5,332	5,332	5,332	0	(5,332)
Financing:					
Transferred to other accounts	0	0	0	0	0
Transferred from other accounts	(5,332)	(5,332)	(5,332)	0	5,332
Appropriation	0	0	0	0	0

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Department of Commerce
International Trade Administration
Grants to Manufacturers of Worsted Wool Fabrics
PROGRAM AND PERFORMANCE: DIRECT OBLIGATIONS
(Dollar amounts in thousands)

Activity: International Trade Administration
Subactivity: Import Administration

<u>Performance Goal</u>		2009		2010		2011		2011		Increase/ (Decrease)	
		Actual	Amount	Currently Available	Amount	Base	Amount	Estimate	Amount	Personnel	Amount
Identify and Resolve Unfair Trade Practices	Pos./BA	0	5,332	0	5,332	0	5,332	0	0	0	(5,332)
	FTE/Obl.	0	5,332	0	5,332	0	5,332	0	0	0	(5,332)
Total	Pos./BA	0	5,332	0	5,332	0	5,332	0	0	0	(5,332)
	FTE/Obl.	0	5,332	0	5,332	0	5,332	0	0	0	(5,332)

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**Department Of Commerce
International Trade Administration
JUSTIFICATION OF PROGRAM AND PERFORMANCE
Grants to Manufacturers of Worsted Wool Fabrics**

Safeguard U.S. Industries and Jobs Against Unfair Trade

Department of Commerce Goal

Maximize U.S. competitiveness and enable economic growth for American industries, workers and consumers.

Mission and Goals for FY 2011

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

The Miscellaneous Trade and Technical Corrections Act of 2004 provided authority to the Secretary of Commerce to promote domestic employment by issuing grants to manufacturers of worsted wool fabrics. The grant program is paid for by the Wool Apparel Manufacturers Trust Fund, maintained by Treasury, which receives a portion of the duties collected from importers of certain wool products. Each year, Treasury is required to transfer approximately \$5.3M from the Trust Fund to the Commerce Department's International Trade Administration (ITA) so that ITA can distribute those funds through grants to a small number of firms in the worsted wool fabric manufacturing industry, allocated through a six-year-old formula according to each company's share of the relevant market in 1999, 2000, and 2001. The program was originally slated to expire in 2007, but has been extended multiple times, and now legislatively is slated to expire at the end of 2014. The program is proposed to be terminated in 2011.

Summary of Workload and Performance Data

	FY 2008	FY 2009	FY 2010	FY 2011
Percent of wool fabric tariff rate quota licenses issued on time	100%	100%	100%	N/A

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**DEPARTMENT OF COMMERCE
INTERNATIONAL TRADE ADMINISTRATION
Grants to Manufacturers of Worsted Wool Fabrics
PROGRAM DECREASE FOR FY 2011
(Dollar amounts in thousands)**

		FY 2011 Base		FY 2011 Estimate		Increase (Decrease)	
		<u>Personnel</u>	<u>Amount</u>	<u>Personnel</u>	<u>Amount</u>	<u>Personnel</u>	<u>Amount</u>
Import Administration	Pos./BA	0	\$5,332	0	\$0	0	(\$5,332)
	FTE/Obl.	0	\$5,332	0	\$0	0	(\$5,332)

Grants to Manufacturers of Worsted Wool Fabrics (-\$5,332,000): 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.

	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Cost and Benefits: (Dollars in Thousands)					
Direct Obligations:					
Uncapitalized	(\$5,332)	(\$5,332)	(\$5,332)	(\$5,332)	(\$5,332)
Capitalized	0	0	0	0	0
Budget Authority	(\$5,332)	(\$5,332)	(\$5,332)	(\$5,332)	(\$5,332)
Outlays	(\$5,332)	(\$5,332)	(\$5,332)	(\$5,332)	(\$5,332)
FTE	0	0	0	0	0

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Department of Commerce
International Trade Administration
Grants to Manufacturers of Worsted Wool Fabrics
PROGRAM CHANGE DETAIL BY OBJECT CLASS
(Dollar amounts in thousands)

Activity: Import Administration
Sub activity: Grants to Manufacturers of Worsted Wool Fabrics
Program Changes: Grants to Manufacturers of Worsted Wool Fabrics

Object Class	2011 Decrease
11 Personnel compensation	0
11.1 Full-time permanent	0
11.3 Other than full-time permanent	0
11.5 Other personnel compensation	0
11.8 Special personnel services payments	0
11.9 Total personnel compensation	0
12.1 Civilian personnel benefits	0
13 Benefits for former personnel	0
21 Travel and transportation of persons	0
22 Transportation of things	0
23.1 Rental payments to GSA	0
23.2 Rental payments to others	0
23.3 Communications, Utilities and miscellaneous charges	0
24 Printing and reproduction	0
25.1 Consulting services	0
25.2 Other services	0
25.3 Purchase of goods and services	0
26 Supplies and materials	0
31 Equipment	0
32 Lands and structures	0
33 Investments and loans	0
41 Grants, subsidies and contributions	(5,332)
42 Insurance claims and indemnities	0
43 Interest and dividends	0
44 Refunds	0
99 Total obligations	(5,332)

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

<u>Object Class</u>	2009 Actual	2010 Currently Available	2011 Base	2011 Estimate	Increase/ (Decrease)
11 Personnel compensation					
11.1 Full-time permanent	0	0	0	0	0
11.3 Other than full-time permanent	0	0	0	0	0
11.5 Other personnel compensation	0	0	0	0	0
11.8 Special personnel services payments	0	0	0	0	0
11.9 Total personnel compensation	0	0	0	0	0
12.1 Civilian personnel benefits	0	0	0	0	0
13 Benefits for former personnel	0	0	0	0	0
21 Travel and transportation of persons	0	0	0	0	0
22 Transportation of things	0	0	0	0	0
23.1 Rental payments to GSA	0	0	0	0	0
23.3 Communications, utilities and miscellaneous charges	0	0	0	0	0
23.2 Rental payments to others	0	0	0	0	0
24 Printing and reproduction	0	0	0	0	0
25.1 Consulting services	0	0	0	0	0
25.2 Other services	0	0	0	0	0
25.3 Purchase of goods and services from Gov't accounts	0	0	0	0	0
25.4 Operations and maintenance of facilities	0	0	0	0	0
25.7 Operations and maintenance of equipment	0	0	0	0	0
26 Supplies and materials	0	0	0	0	0
31 Equipment	0	0	0	0	0
32 Lands and structures	0	0	0	0	0
33 Investments and loans	0	0	0	0	0
41 Grants, subsidies and contributions	5,332	5,332	5,332	0	(5,332)
42 Insurance claims and indemnities	0	0	0	0	0
43 Interest and dividends	0	0	0	0	0
44 Refunds	0	0	0	0	0
99 Total Direct Obligations	5,332	5,332	5,332	0	(5,332)
Less Prior Year Recoveries	0	0	0	0	0
Less Unobligated balance, start of year	0	0	0	0	0
Plus Unobligated balance, expiring	0	0	0	0	0
Plus Unobligated balance, end of year	0	0	0	0	0
Less Transfers from other accounts	(5,332)	(5,332)	(5,332)	0	5,332
Net Budget Authority	0	0	0	0	0

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

	2009	2010	2011	2011	Increase/ (Decrease)
	Actual	Currently Available	Base	Estimate	
Personnel Data					
Full-Time equivalent Employment:					
Full-time permanent	0	0	0	0	0
Other than full-time permanent	0	0	0	0	0
Total	0	0	0	0	0
Authorized Positions:					
Full-time permanent	0	0	0	0	0
Other than full-time permanent	0	0	0	0	0
Total	0	0	0	0	0

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

Object Class	2011 Adjustments to Base	2011 Base	2011 Estimate	Increase/ (Decrease)
11 Personnel compensation				
11.1 Full-time permanent				
Executive level	0	0	0	0
Senior Executive Service	0	0	0	0
General schedule	0	0	0	0
Senior Foreign Service	0	0	0	0
Foreign Service Staff	0	0	0	0
Foreign Service Nationals	0	0	0	0
Subtotal	0	0	0	0
11.3 Other than full-time permanent				
General schedule	0	0	0	0
Experts & consultants	0	0	0	0
Subtotal	0	0	0	0
11.5 Other personnel compensation				
Overtime	0	0	0	0
Cash awards	0	0	0	0
Differentials	0	0	0	0
Subtotal	0	0	0	0
11.8 Special personnel services payments				
Foreign service officers (State)	0	0	0	0
Other	0	0	0	0
Subtotal	0	0	0	0
11.9 Total personnel compensation	0	0	0	0
12.1 Civilian personnel benefits				
Civil service retirement	0	0	0	0
Federal Employee Retirement	0	0	0	0
Thrift savings plan	0	0	0	0
Federal insurance contribution act	0	0	0	0
Health insurance	0	0	0	0
Life insurance	0	0	0	0
Employees comp fund	0	0	0	0
Other	0	0	0	0
Subtotal	0	0	0	0

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

Object Class	2011 Adjustments to Base	2011 Base	2011 Estimate	Increase/ (Decrease)
13.0				
Benefits for former personnel				
Severance pay	0	0	0	0
Unemployment compensation	0	0	0	0
Subtotal	0	0	0	0
21				
Travel and transportation of persons				
Common Carrier	0	0	0	0
Mileage	0	0	0	0
Per diem/actual	0	0	0	0
Vehicular	0	0	0	0
Other	0	0	0	0
[Overseas estimates]	0	0	0	0
Subtotal	0	0	0	0
22				
Transportation of things	0	0	0	0
[Overseas estimates]	0	0	0	0
Subtotal	0	0	0	0
23.1				
Rental payments to GSA	0	0	0	0
23.2				
Rental payments to others	0	0	0	0
23.3				
Communications, utilities and miscellaneous charges				
Rental of ADP equipment	0	0	0	0
Rental of office copying equipment	0	0	0	0
Other equipment rental	0	0	0	0
Federal telecommunications system	0	0	0	0
Other telecommunications services	0	0	0	0
Postal services by USPS	0	0	0	0
Other	0	0	0	0
[Overseas estimates]	0	0	0	0
Subtotal	0	0	0	0

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

Object Class	2011 Adjustments to Base	2011 Base	2011 Estimate	Increase/ (Decrease)
24				
Printing and reproduction				
Publications	0	0	0	0
Public use forms	0	0	0	0
Envelopes	0	0	0	0
Other	0	0	0	0
[Payments to DM, WCF]	0	0	0	0
[Overseas estimates]	0	0	0	0
Subtotal	0	0	0	0
25.1				
Consulting services	0	0	0	0
25.2				
Other services				
Training:				
University training	0	0	0	0
Other	0	0	0	0
Maintenance of equipment	0	0	0	0
Other non-governmental contracts	0	0	0	0
Representation	0	0	0	0
Other	0	0	0	0
[Overseas estimates]	0	0	0	0
Subtotal	0	0	0	0
25.3				
Purchases of goods & services from Gov't accounts				
Office of Personnel Management Training	0	0	0	0
GSA reimbursable services	0	0	0	0
Commerce Business System (CBS)	0	0	0	0
Department of Interior	0	0	0	0
Department of State Capital Security Cost Sharing Program	0	0	0	0
Payment to DM, WCF	0	0	0	0
Other Misc. services by other Federal Agencies	0	0	0	0
International Cooperative Support Services (ICASS)	0	0	0	0
Subtotal	0	0	0	0
25.4				
Operations and maintenance of facilities	0	0	0	0
25.7				
Operations and maintenance of equipment	0	0	0	0

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

Object Class	2011 Adjustments to Base	2011 Base	2011 Estimate	Increase/ (Decrease)
26	Supplies and materials			
	Office Supplies	0	0	0
	ADP supplies	0	0	0
	Other	0	0	0
	[Overseas estimates]	0	0	0
	Subtotal	0	0	0
31	Equipment			
	Office machines and equipment	0	0	0
	ADP hardware	0	0	0
	ADP software	0	0	0
	Other	0	0	0
	[Overseas estimates]	0	0	0
	Subtotal	0	0	0
32	Lands and structures	0	0	0
33	Investments	0	0	0
41	Grants, subsidies and contributions	0	5,332	0 (5,332)
42	Insurance claims and indemnities	0	0	0
43	Interest/dividends	0	0	0
44	Refunds	0	0	0
99	Total Obligations	0	5,332	0 (5,332)
99	Total Obligations	0	5,332	0 (5,332)
	Less Prior Year Recoveries	0	0	
	Less Unobligated balance, start of year			
	Plus Unobligated Balance, expiring			
	Plus Unobligated balance, end of year	0	0	0
	Less Transfers from other accounts	0	(5,332)	5,332
	Net Budget Authority	0	0	0

Appropriation Language and Code Citations:

Exhibit 33

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

13 U.S.C. 301(a) and 305
15 U.S.C. 141 et seq.
15 U.S.C. 649b-649d
15 U.S.C. 1151 et seq.
15 U.S.C. 1501 et seq. and 15 U.S.C. 172 et seq.
15 U.S.C. 4001 et seq.
15 U.S.C. 4011 et seq.
15 U.S.C. 4721 and 22 U.S.C. 262s-2
15 U.S.C. 4723
15 U.S.C. 4724
15 U.S.C. 4725
15 U.S.C. 4726
15 U.S.C. 4727
15 U.S.C. 4728
15 U.S.C. 4729
19 U.S.C. 81a et seq.
19 U.S.C. 1202
19 U.S.C. 1318 and 1502(a)
19 U.S.C. 1339(b)
19 U.S.C. 1514-1516
19 U.S.C. 1592A(b)
19 U.S.C. 1617
19 U.S.C. 1671 et seq.
19 U.S.C. 1673 et seq.
19 U.S.C. 1677k and 1677n
19 U.S.C. 1862
19 U.S.C. 2031
19 U.S.C. 2114 and 2155
19 U.S.C. 2114b
19 U.S.C. 2171 nt.
19 U.S.C. 2252(h)(3)(A)
19 U.S.C. 2354
19 U.S.C. 2411 et seq.
19 U.S.C. 3201 nt.
19 U.S.C. 3538(b), (c), and (d)

19 U.S.C. 3571(a), (b), (c), (e), and (f), and 3572(d)
19 U.S.C. 3721(b)(3)(C)
19 U.S.C. 3802(c)(3)
22 U.S.C. 262s-2 nt.
22 U.S.C. 1471 nt.
22 U.S.C. 2351(b)(1)
22 U.S.C. 2451 et seq.
22 U.S.C. 2651 et seq.
22 U.S.C. 3101 et seq.
22 U.S.C. 3901 et seq.
22 U.S.C. 4723a
22 U.S.C. 5462
22 U.S.C. 5812(b)
22 U.S.C. 5821
22 U.S.C. 5823(b)
22 U.S.C. 5824
22 U.S.C. 5872
26 U.S.C. 4221 and 19 U.S.C. 1309
28 U.S.C. 2631 et seq.
42 U.S.C. 6951 et seq.
46 U.S.C. 1122b
50 U.S.C. 98-98h
50 U.S.C. 401 et seq

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

15 U.S.C. 141 et seq. provides for the formation, regulation and termination of China Trade Act corporations.

15 U.S.C. 649b-649d authorizes the Secretary of Commerce to award grants (including contracts and cooperative agreements) to encourage the development and implementation of small business international marketing programs.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

No Specific Authority

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

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

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

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

No Specific Authority

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

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

No Specific Authority

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

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

No Specific Authority

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

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

No Specific Authority

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

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

No Specific Authority

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

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

No Specific Authority

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

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

No Specific Authority

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

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

No Specific Authority

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

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

11. “\$450,828,000 to remain available until expended, of which \$9,439,000 is to be derived from fees to be retained and used by the International Trade Administration, notwithstanding 31 U.S.C. 3302”

No Specific Authority

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

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

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

No Specific Authority

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

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

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

13. “and that for the purpose of this Act, contributions under the provisions of the Mutual Educational and Cultural Exchange Act shall include payment for assessments for services provided as part of these activities.”
This phrase provides for extension of this authority and permits ITA to collect funds for use in conducting trade promotion events abroad.

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

	2009	2010	2011
	Actual	Estimate	Estimate
Management and professional support services.....	\$3,041	\$2,623	\$2,778
Studies, and analysis evaluations.....	0	0	0
Engineering and technical service.....	0	0	0
Total.....	<u>\$3,041</u>	<u>\$2,623</u>	<u>\$2,778</u>

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

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

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

	2009 Actual	2010 Estimate	2011 Estimate
Periodicals.....	\$136	\$151	\$201
Pamphlets.....	217	241	267
Audiovisuals.....	40	44	49
Total.....	<u>\$393</u>	<u>\$436</u>	<u>\$517</u>

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

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

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

	2009 Actual	2010 Enacted	2011 Estimate
Direct			
Average ES	\$158,168	\$157,827	\$160,884
Average GS grade	12.5	12.5	12.5
Average GS salary	\$95,526	\$95,486	\$96,804
Average grade and salary established by the Foreign Service Act of 1980 (U.S.C. 801-1158):			
Average Senior Foreign Service salary	\$159,415	\$158,928	\$162,107
Average Foreign Service Officer grade	2.0	1.8	2.2
Average Foreign Service Officer salary	\$113,563	\$116,983	\$112,699
Average Foreign Service Staff salary	\$89,322	\$89,435	\$91,224
Average Foreign Service salary in foreign countries	\$113,234	\$115,026	\$113,553

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

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

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

DOS	Department of State
ECF	Employees Compensation Fund
EFM	Export Finance Matchmaker
EPA	Environmental Protection Agency
EU	European Union
EX/AD	Executive Direction and Administration
FCC	Federal Communications Commission
FCIB	Finance, Credit and International Business
FDA	Food and Drug Administration
FDI	Foreign Direct Investment
FERS	Federal Employees Retirement System
FFMIA	Federal Financial Management Improvement Act
FFS	Federal Financial System
FICA	Federal Insurance Contribution Act
FSN	Foreign Service National
FTA	Free Trade Agreement
FTAA	Free Trade Area of the Americas
FTE	Full Time Equivalent
FTZ	Foreign Trade Zones
FY	Fiscal Year
GATS	General Agreement on Trade in Services
GATT	General Agreement on Tariffs and Trade
GBDe	Global Business Dialogue on electronic commerce
GCC	Gulf Cooperation Council
GDI	Global Diversity Initiative
GDP	Gross Domestic Product
GPO	Government Printing Office

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

GPLA	General Pricing Level Adjustment
GPRA	Government Performance and Results Act
GPZ	General Purpose Zones
GSA	General Services Administration
GTP	Global Trade Programs
HHS	Health and Human Services
IA	Import Administration
ICAO	International Civil Aviation Organization
ICASS	International Cooperative Administrative Support Services
IMF	International Monetary Fund
ISACs	Industry Sector Advisory Committees
IFS	In-Flight Survey
IIPA	International Intellectual Property Association
IPR	Intellectual Property Rights
IT	Information Technology
ITA	International Trade Administration
ITAC	Industry Trade Advisory Committees
ITC	International Trade Center
IWG	Interagency Working Group
JCCT	Joint Commission on Commerce and Trade (China & U.S.)
JFMIA	Joint Federal Management Improvement Act
JFMIP	Joint Financial Management Improvement Program
LES	Locally Engaged Staff
MAC	Market Access and Compliance
MAS	Manufacturing and Services
MDCP	Market Development Cooperator Program
MEP	Market Entry Program
MEPI	Middle East Partnership Initiative

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

MOU	Memorandum of Understanding
MRA	Mutual Recognition Arrangement
NACC	North American Competitiveness Council
NAFTA	North American Free Trade Agreement
NARA	National Archives and Records Administration
NEI	National Export Initiative
NES	National Export Strategy
NME	Non-Market Economy
NSC	National Security Council
NTBs	Non-Tariff Barriers
OASDI	Old Age Survivor and Disability Insurance
OECD	Organization for Economic Cooperation and Development
OGC	Office of General Counsel
OIG	Office of Inspector General
OLIA	Office of Legislative and Intergovernmental Affairs
OMB	Office of Management and Budget
OPA	Office of Public Affairs
OPIC	Overseas Private Investment Corporation
PART	Program Assessment Rating Tool
PBViews®	Panorama Business Views
PMA	President's Management Agenda
PSC	Personal Service Contractors
QEC	Quality Enhancement and Control
REI	Rural Export Initiative
SIPS	Statutory Import Program Staff
SMEs	Small and medium-sized Enterprises
SPP	Security and Prosperity Partnership

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

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

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