

**DEPARTMENT OF COMMERCE
INTERNATIONAL TRADE ADMINISTRATION
Budget Estimates, Fiscal Year 2007
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EXECUTIVE SUMMARY – GENERAL STATEMENT AND PERFORMANCE MEASURES

Who We Are

The mission of ITA is 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.” ITA employs more than 2,200 people to perform these operations and to deliver these products and services. Our employees are stationed in over 250 offices domestically and internationally. ITA’s goals and objectives are accomplished through five program areas: Manufacturing and Services (MAS), Market Access and Compliance (MAC), Import Administration (IA), Trade Promotion and the U.S. and Foreign Commercial Service (Commercial Service or CS), and Executive Direction & Administration (Ex/Ad). Our core business functions are detailed below.

- ITA conducts detailed domestic and international competitive analysis to ensure that both the U.S. manufacturing and service sectors can compete and effectively meet the demands of global supply chains and understand the competitive impact of regulatory and economic factors.
- ITA offers a variety of products and services to the exporting community to assist them in the worldwide commercial arena; operates a Trade Information Center (TIC) that provides a single point of customer contact to government export assistance programs; runs the Advocacy Center (AC) that supports U.S. companies bidding on major foreign contracts; and plans and coordinates U.S. Government (USG) export promotion and assistance programs through the Trade Promotion Coordinating Committee (TPCC).
- ITA advances trade compliance and market access outreach through its Trade Compliance Center (TCC); ensures compliance with bilateral and multilateral trade agreements including analysis and advancement of critical U.S. trade positions on standards, intellectual property and removal of non-tariff barriers.
- ITA administers the antidumping (AD) and countervailing duty (CVD) law; the Foreign Trade Zone (FTZ) Act and certain statutory import programs.

Resource Request

For FY 2007, the ITA requests budget authority of \$408.8 million and 2,217 FTE, plus \$13 million in fees. ITA currently collects approximately \$8 million in fees for providing services to customers. These fees are expended on direct costs associated with providing these services. Fees are treated in more detail in Exhibits 5 and 7, Summary of Resource Requirements. This request would fund core operations and a \$2 million increase for the Asia Pacific Partnership for Clean Development and Climate.

The FY 2007 Budget’s Adjustment To Base (ATB) request provides funding for ITA’s share of the Capital Security Cost Sharing (CSCS) program at the Department of State and the Foreign Service Modernization Transition. Other ATB’s will be funded by reallocating resources from lower priority programs and Congressional earmarks. The International Trade Administration’s budget does not continue \$19.7 million of funding for the Congressional earmarks included in the FY 2006 appropriations. The FY 2007 President’s Budget reallocates those funds for restoration of ITA’s base operations and Adjustments to Base.

The requested funding of \$2 million for the Foreign Service Modernization Transition supports the first step of transition to a performance-based pay system and a global rate of pay for Foreign Commercial Service personnel grade FS-01 and below. The establishment of a global rate of pay for the Foreign Commercial Service increases our ability to attract and retain our most productive people and increase our presence in priority emerging markets. These markets offer tremendous growth opportunities but require greater efforts to help U.S. firms overcome challenging market access barriers and problems.

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Why We Make This Request

As President Bush stated when nominating Rob Portman as the United States Trade Representative on March 17, 2005, "To keep our economy growing and creating jobs, we need to continue opening foreign markets to American products....trade creates jobs, raises living standards, and lowers prices for families here at home....as the world trades more freely, it becomes more free and prosperity abounds." The International Trade Administration is committed to expanding market access, opening new foreign markets through negotiations, assessing domestic and international competitiveness, promoting exports, and ensuring fair competition and trade compliance with international trade agreements.

Secretary Gutierrez said in his confirmation hearing on January 5, 2005 that two of his top priorities were:

- *"Fostering the environment in which our free enterprise system will flourish, by serving as an advocate for reducing trade and regulatory barriers that unreasonably burden our businesses and their workers;"*
- *"Collaborating with the U.S. Trade Representative both in the negotiation of sound trade agreements that will open markets to U.S. exports, and in vigorous challenges to policies and practices abroad that violate those agreements."*

The requested level of funding is critical to ensuring that ITA will continue to fully support the economic engine of the U.S. workplace and provide access to the worldwide marketplace. This funding level ensures that priority programs to advance the competitiveness of American industry in the world marketplace can continue. ITA's domestic and international operations support the Department of Commerce's (DOC) strategic goal to "provide the information and tools to maximize U.S. competitiveness and enable economic growth for American industries, workers and consumers." In FY 2005, ITA's assistance to U.S. businesses resulted in 12,518 U.S. export transactions. Of these transactions; 87% were for small and medium sized enterprises (SMEs); 4,888 were companies exporting to new markets; and 620 were companies exporting for the first time.

This request is designed to support the Secretary's goals by ensuring that sufficient funding is available to focus on several significant and current ITA challenges including:

1. Trade Relations with China – China's trade has been growing rapidly with imports into China from nearly all trading partners growing at double digit rates. Imports from Asia to China in U.S. dollar terms have increased by 43 percent in 2003, while imports from Europe and the U.S. to China increased by 31 percent and 24 percent, respectively. The U.S. imports from China were \$196.7 billion in 2004 (an increase of 29% over 2003), making China the second largest exporter of goods to the United States, behind only Canada's \$256 billion export total. At current rates of growth, China will surpass Canada and become the largest supplier of U.S. imports in 2006. As these figures indicate, trade with China continues to present a number of challenges for U.S. companies. Until WTO accession is completed in 2017, aspects of the Chinese economy are still organized under principles that are inconsistent with the World Trade Organization rules, and, since it is a non-market economy, these issues impact our trading relationship. ITA, in close coordination with the United States Trade Representative (USTR) and other agencies, has adopted an aggressive and multi-pronged approach to ensure that China honors its WTO commitments and that U.S. companies benefit from these opportunities. Our ability to verify whether China is in compliance with its subsidies obligations is severely hindered by an overall lack of transparency in China, which limits our ability to obtain detailed information on actual subsidy programs. Both bilaterally and at the WTO, we, in concert with the USTR, have been increasing pressure on China to improve transparency of its subsidy practices, including making its required annual notifications to the WTO Subsidies Committee – a responsibility China has failed to meet every year. ITA will remain vigilant on all trade compliance issues with China.

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2. Manufacturing in America – *Manufacturing in America, A Comprehensive Strategy to Address the Challenges to U.S. Manufacturers* (available at www.manufacturing.gov) published in January 2004, acknowledged that manufacturing is vital to the nation's economy, recognizes the unprecedented challenges to U.S. global leadership, and recommends reforms to strengthen manufacturing competitiveness. ITA is implementing the recommendations made in the *Manufacturing in America* report. ITA has already addressed 33 recommendations and is working closely with its partners and stakeholders, through the interagency process, to implement the remainder. This effort is critical for U.S. commerce to ensure ITA is fostering an environment in which U.S. firms can compete and succeed in manufacturing.
3. Expanding Global Intellectual Property Rights (IPR) Enforcement – IPR protection leads to improvements in productivity, and helps trigger new ideas and pushes inventors to improve existing technologies. IPR protection is an essential component of an economic foundation. ITA is focusing resources to enforce U.S. negotiated trade agreements, uphold the U.S. Strategy Targeting Organized Piracy (STOP available at www.stopfakes.gov) and combat violators of IPR around the world. ITA will identify perpetrators along the entire chain, including manufacturers and importers, and will exert pressure on countries where problems are found. ITA will work with U.S. industry and coordinate with other U.S. agencies, including the United States Patent and Trademark Office (USPTO) and the U.S. Food and Drug Administration (FDA), to investigate allegations of piracy and to help resolve market access and trade compliance cases.
4. Strengthen Federal Trade Promotion Programs and Cooperation – Two critical annual program priorities for ITA include our efforts to expand market access and promote U.S. exports in commercially significant markets and to strengthen public-private promotion and implement U.S. government-wide commercial strategies. These priorities reinforce ITA's mandate to increase and improve trade promotion activities for American businesses, especially small and medium-sized enterprises that leverage federal and other assistance programs to successfully compete in the global marketplace. Utilizing the "2005 National Export Strategy" (available at ita.doc.gov/media/publications/pdf/nes2005final.pdf), the Secretary of Commerce announced a multi-year national trade promotion agenda to better leverage federal trade promotion programs and initiatives and ensure greater cooperation under the Trade Promotion Coordinating Committee. Recommendations in this agenda included: 1) targeted trade promotion support of markets with the greatest potential for American exporters, including those with Free Trade Agreements and/or other commercially significant market trends such as those in China, Russia, Japan and South Korea; 2) strategies to increase the number of new clients through targeting New-to-Export/New-to-Market (NTE/NTM) companies, as well as rural and minority firms; 3) expansion of mutually beneficial joint programs with trade promotion partners, such as trade associations, Small Business Development Centers (SBDCs), FedEx, National Association of Manufacturers (NAM) and key U.S. and international financial institutions; and 4) strategies to help level the playing field for U.S. companies by promoting good business practices with governments abroad.
5. The Asia-Pacific Partnership (APP) for Clean Development and Climate - The APP is an international agreement announced on July 15, 2005 at an Association of South East Asia Nations (ASEAN)¹ Regional Forum meeting. Member countries account for around 50% of the world's greenhouse gas emissions, energy consumption, GDP and population. The United States, Australia, China, Japan, India and South Korea agreed to cooperate on development and transfer of technology which enables reductions in greenhouse gas emissions. Russia, Canada, Mexico, Brazil and several ASEAN members have expressed interest in joining the treaty in the future. Unlike the Kyoto Protocol, which imposes mandatory limits on greenhouse gas emissions, this pact allows member countries to set their targets for reducing emissions individually. This enables each nation to achieve results and plan outcomes while considering individual country specific conditions and externalities. The U.S. continues to have a substantial commercial advantage in

¹ The founding member countries of ASEAN were Indonesia, Malaysia, the Phillipines, Singapore and Thailand. Nations that joined later include Brunei, Vietnam, Laos, Myanmar and Cambodia. Papua New Guinea currently holds observer status in ASEAN.

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technologies that reduce energy consumption and limit greenhouse gas emissions. This \$2 million program increase will be distributed between the ITA's US and Foreign Commercial Service (Commercial Service) and Manufacturing and Services (MAS), who will manage the implementation of this program.

Goals and Supporting Activities

ITA's programs directly support the Department of Commerce's Strategic Goal to "provide the information and tools to maximize U.S. competitiveness and enable economic growth for American industries, workers and consumers." ITA contributes to the DOC Strategic Goal through three ITA strategic goals that encompass key program activities. These are described below:

ITA Goal 1- Enhance U.S. Competitiveness in the Global Market Place – Manufacturing and Services

The Manufacturing and Services (MAS) program is dedicated to strengthening the global competitiveness of U.S. industry and increasing exports with a special focus on U.S. manufacturers. MAS consults with U.S. industries on their competitive challenges and opportunities. It combines industries' input with detailed data analysis to develop policy recommendations that support the U.S. firms' ability to compete and export. The program advances strategic priorities for trade policy by conducting analysis of trends in productivity, growth, employment, and through identification of issues such as outsourcing and the importance of a global supply chain. The MAS program ensures that U.S. industries' priorities are represented in market access negotiations. It advances policies and strategies that ameliorate the negative impacts of proposed domestic rules and regulations and conducts analysis to stimulate innovation and investment, enhance economic growth, and create higher paying jobs in U.S. industries.

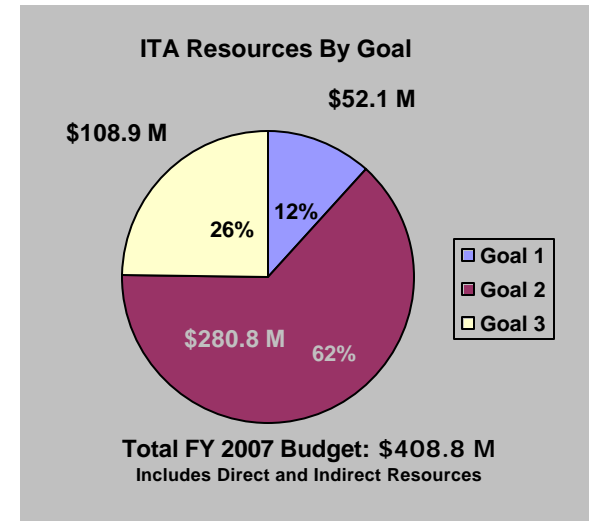
ITA Goal 2 Broaden and Deepen the U.S. Exporter Base – Trade Promotion and United States and Foreign Commercial Service (Commercial Service)

The Commercial Service program's mandate is to place primary emphasis on the promotion of goods and services from the U.S., particularly by SMEs, and on the protection of U.S. business interests abroad. In order to achieve this, the Commercial Service seeks to increase export opportunity awareness among U.S. companies by assisting potential exporters, leveraging electronic and traditional media, and developing alliances and partnerships to deliver export messages. The Commercial Service also operates a Trade Information Center (TIC) that provides a single point of customer contact for government export programs and manages the Advocacy Center (AC) that supports U.S. companies bidding on major foreign contracts. The Commercial Service helps U.S. companies take advantage of world market conditions to find new buyers around the world. A growing list of free trade agreements provides additional price and market access benefits. The Commercial Service offers four ways to grow international sales by:

- 1) Providing world-class market research;
- 2) Organizing trade events that promote products or services to qualified overseas buyers;
- 3) Arranging introductions to qualified buyers and distributors; and
- 4) Offering counseling through every step of the export process.

ITA Goal 3 Identify and Resolve Unfair Trade Practices – Market Access and Compliance and Import Administration.

U.S. industries are entitled to the benefits of trade agreements negotiated by the U.S. They are also entitled to the aggressive investigation of unfair trade practices that undercut those agreements. Two units in ITA, Import Administration (IA) and Market Access and Compliance (MAC), are committed to ensuring that U.S. firms receive those benefits and prompt relief from unfair trade practices.



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IA identifies and monitors import surges created by imports that are sold in the U.S. at less than fair market value, foreign governments subsidy practices, and other harmful import trends. It defends American industry against injurious trade practices by administering the antidumping (AD) and countervailing duty (CVD) laws of the U.S. IA attachés stationed in foreign locations help educate foreign governments and businesses about U.S. AD/CVD laws and provide support for U.S. firms facing AD/CVD proceedings in foreign locations. IA expedites investigations when warranted by import surges and foreign subsidy practices, defends against unfair trade practices before the World Trade Organization (WTO), and coordinates the DOC's role in key Administration trade areas such as the U.S. Government's (USG's) role in the Administration's steel strategy.

MAC tracks crucial market access and compliance problems to ensure timely engagement and resolution. ITA established an Investigations and Compliance Unit, within MAC, to take new and proactive measures to ensure that our trading partners honor their commitments. Staffed with skilled investigators trained in the development of the factual basis for potential enforcement action, particularly in the areas that have a significant effect on market access for U.S. goods, this office works closely with the U.S. Trade Representative (USTR), the U.S. Patent and Trademark Office (USPTO), and the Trade Policy Staff Committee agencies to investigate and resolve allegations and market-distorting practices.

ITA's Integrated Performance Budget Supports the President's Management Agenda

ITA's goals and objectives drive the content and structure of this budget request and support the DOC's mission. ITA's Strategic Plan outlines crosscutting activities in which ITA works closely with other government agencies to achieve desired outcomes and fulfill its lead role in international trade. ITA measures progress towards achieving its three goals through several key performance indicators. The measures that assess ITA-wide performance are shown in the Annual Performance Plan (Exhibit 3a).

ITA Program Assessment Rating Tool (PART) Reviews

During FY 2005 and in the first quarter of FY 2006, ITA worked closely with OMB to complete Program Assessment Rating Tool (PART) reviews of both the IA and MAC programs. Results from these PART reviews have assisted both programs to gauge their strategic planning efforts and to improve their performance metrics. The MAC program used the PART review to spur the development of improved outcome oriented measures. The IA PART review identified the need for IA to develop impact and result measures, both long-term and annual, for its AD/CVD program.

ITA continues to make progress on recommendations resulting from the PART review on the Commercial Service. The Commercial Service is implementing the following actions to improve future PART scores:

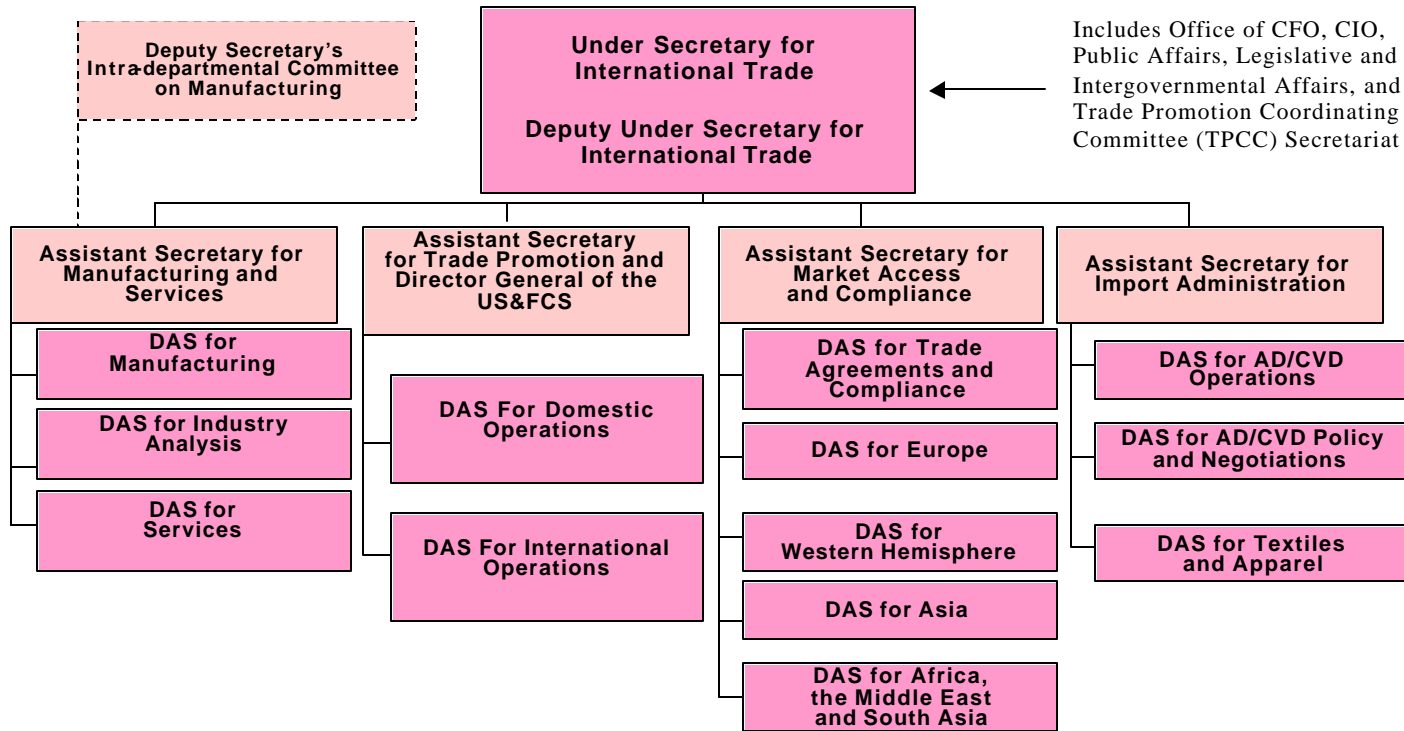
- ITA has worked with the Commercial Service to arrive at more accurate annual performance targets, which will be reflected in the FY 2008 PART.
- ITA has drafted more accurate cost data to show how much it costs to provide certain products and services. (This enables the Commercial Service to move towards a consistently applied pricing and marketing strategy for its services, both domestically and abroad.)

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ORGANIZATION STRUCTURE



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**ITA OVERSEAS OFFICES
As of July 31, 2005**

Country	City	Country	City	Country	City
Algeria	Algiers	Ecuador	Quito	Israel	Tel Aviv
Argentina	Buenos Aires	Egypt	Alexandria	Italy	Florence
Australia	Melbourne	Egypt	Cairo	Italy	Genoa
Australia	Sydney	El Salvador	San Salvador	Italy	Milan
Austria	Vienna	Finland	Helsinki	Italy	Naples
Barbados	Bridgetown	France	Lyon	Italy	Rome
Belgium	Brussels	France	Marseilles	Jamaica	Kingston
Brazil	Belo Horizonte	France	Paris	Japan	Fukuoka
Brazil	Brasilia	France	Strasbourg	Japan	Nagoya
Brazil	Porto Allegre	France	Toulouse	Japan	Osaka-Kobe
Brazil	Rio De Janeiro	Germany	Berlin	Japan	Sapporo
Brazil	Sao Paulo	Germany	Dusseldorf	Japan	Tokyo
Bulgaria	Sofia	Germany	Frankfurt	Jordan	Amman
Canada	Calgary	Germany	Hamburg	Kazakhstan	Almaty
Canada	Halifax	Germany	Leipzig	Kenya	Nairobi
Canada	Montreal	Germany	Munich	Korea	Seoul
Canada	Ottawa	Ghana	Accra	Kuwait	Kuwait City
Canada	Toronto	Greece	Athens	Lebanon	Beirut
Canada	Vancouver	Guatemala	Guatemala City	Luxembourg	Luxembourg City
Chile	Santiago	Honduras	Tegucigalpa	Malaysia	Kuala Lumpur
China	Beijing	Hungary	Budapest	Mexico	Guadalajara
China	Chengdu	India	Ahmedabad	Mexico	Mexico City
China	Guangzhou	India	Bangalore	Mexico	Monterrey
China	Shanghai	India	Calcutta	Mexico	Tijuana
China	Shenyang	India	Chennai	Morocco	Casablanca
Colombia	Bogotá	India	Hyderabad	Morocco	Rabat
Costa Rica	San Jose	India	Mumbai	Netherlands	Amsterdam
Cote D'ivoire	Abidjan	India	New Delhi	Netherlands	The Hague
Croatia	Zagreb	Indonesia	Jakarta	New Zealand	Auckland
Czech Republic	Prague	Iraq	Baghdad	New Zealand	Wellington
Denmark	Copenhagen	Ireland	Dublin	Nigeria	Lagos
Dominican Republic	Santo Domingo	Israel	Jerusalem	Norway	Oslo

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**ITA OVERSEAS OFFICES
As of July 31, 2005²**

Country	City	Country	City
Pakistan	Islamabad	Switzerland	Zurich
Pakistan	Karachi	Taiwan	Kaoshiung
Pakistan	Lahore	Taiwan	Taipei
Panama	Panama City	Thailand	Bangkok
Peru	Lima	Trinidad/Tobago	Port of Spain
Philippines	Manila	Tunisia	Tunis Belvédère
Poland	Warsaw	Turkey	Ankara
Portugal	Lisbon	Turkey	Istanbul
Portugal	Oporto	Turkey	Izmir
Romania	Bucharest	United Arab Emirates	Abu Dhabi
Russia	Moscow	United Arab Emirates	Dubai
Russia	St. Petersburg	United Kingdom (Ireland, Northern)	Belfast
Russia	Vladivostok	Ukraine	Kiev
Russia	Yekaterinburg	United Kingdom	London
Special Administrative Region, China	Hong Kong	Uruguay	Montevideo
Saudi Arabia	Dhahran	Venezuela	Caracas
Saudi Arabia	Jeddah	Vietnam	Hanoi
Saudi Arabia	Riyadh	Vietnam	Ho Chi Minh City
Senegal	Dakar		
Serbia and Montenegro	Belgrade		
Singapore	Singapore		
Slovak Republic	Bratislava		
South Africa	Cape Town		
South Africa	Johannesburg		
Spain	Barcelona		
Spain	Madrid		
Sweden	Stockholm		
Switzerland	Bern		

² Listing does not include all proposed international reprogrammings.

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GEOGRAPHIC DISTRIBUTION OF ITA'S COMPLIANCE FTE AND SPENDING

These tables show the distribution, by geographic location, of FY2005 expenditures and FTE in ITA that have been devoted to the compliance function.

		China	Japan	South Korea	EU/Western Europe	Africa	Western Hemisphere	Other³	HQ/Domestic Operations	TOTAL
MAC	\$ (K)	1,471	826	0	2,021	858	2,064	6,247	7,313	20,799
	FTE	12.4	6.7	0.0	17.9	8.1	10.1	53.6	50.1	158.9
IA	\$ (K)	6,348	1,533	1,107	5,155	153	5,365	6,438	11,493	37,593
	FTE	60.9	15.5	8.8	47.6	1.6	54.3	65.2	50.4	304.4
Commercial Service ⁴	\$ (K)	3,709	2,954	829	6,208	897	3,961	6,428	7,085	32,072
	FTE	7.1	5.1	2.3	8.4	1.6	9.6	13.5	42.1	89.7
MAS	\$ (K)	0	0	0	0	0	0	0	3,101	3,101
	FTE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	26.5	26.5
ITA Total	\$ (K)	11,528	5,313	1,936	13,384	1,909	11,390	19,112	28,992	93,564
	FTE	80.4	27.3	11.1	73.9	11.3	74.1	132.4	169.1	579.5

³ "Other" refers to remaining countries in Asia, Middle East and Eastern Europe.

⁴ Foreign Service National (FSN) employee FTE is estimated because data on actual hours worked are not reported to ITA.

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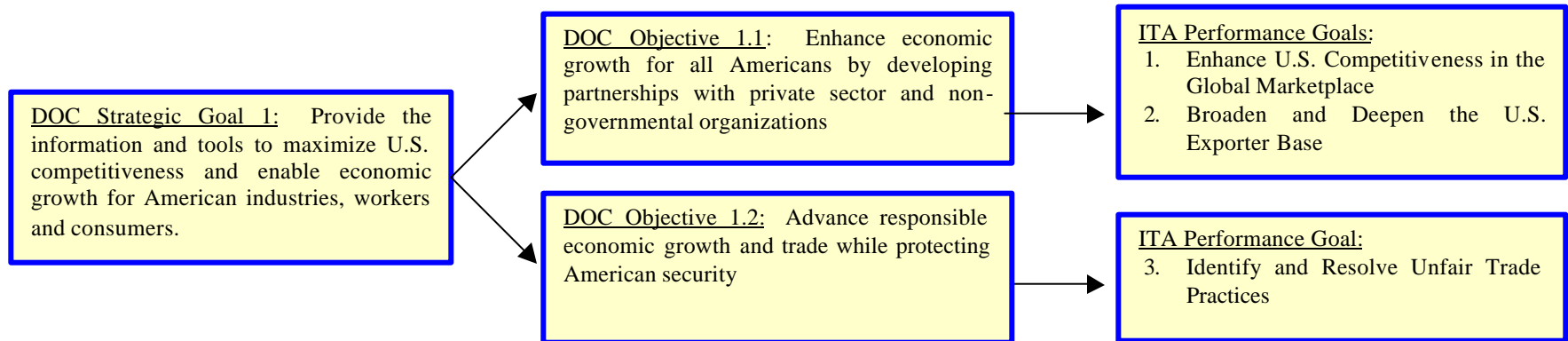
Exhibit 3a

ANNUAL PERFORMANCE PLAN

ITA Vision Statement: Foster economic growth and prosperity through global trade

ITA Mission Statement: 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

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



This FY 2007 Annual Performance Plan (APP) has been prepared to enable ITA to face the emerging challenges of a dynamic global trading environment by building on both our FY 2006 annual program priorities and by supporting our longer term strategic direction. The President and the Secretary of Commerce rely upon ITA to use free trade to open the door to greater prosperity for developing economies. ITA accomplishes this by working closely with stakeholders in the government as well as in the business community to achieve critical economic objectives. Government and industry have worked side-by-side to support passage of several free trade agreements, advance U.S. positions in the World Trade Organization, and to expand market access and promote U.S. exports in commercially significant markets such as China and India. ITA and the Department will continue to make our region the most competitive area of the globe by eliminating

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unnecessary regulations and removing other obstacles to growth. These efforts coupled with critical free trade agreements, like the recently passed Central American - Dominican Republic Free Trade Agreement (CAFTA-DR agreement), are critical to our country for economic reasons, strategic reasons, and symbolic reasons. As Secretary Gutierrez recently stated, "Anyone who wants to help decide the outcome of this philosophical struggle between economic isolationism and economic liberty does not belong on the sidelines. This is a critical time. We need to stand up and support freedom, democracy, free-enterprise, free trade, and entrepreneurialism."

ITA and the Commerce Department face critical challenges that must be addressed to maintain our economy and to sustain American prosperity. These challenges include strengthening American manufacturing and service sectors by ensuring that we maintain and enhance U.S. competitiveness both domestically and internationally. ITA has already moved aggressively to help the Nation's manufacturers and service sectors by assessing and evaluating industry practices, competitive posture, and structure. ITA advises the Secretary of Commerce and the Congress on the health of U.S. manufacturing and service industries. Through analysis of competitiveness and assessment of trade opportunities, ITA shapes U.S. trade policy to advance U.S. interests in the global marketplace and to eliminate trade practices that distort markets for goods, capital and labor.



"Anyone who wants to help decide the outcome of this philosophical struggle between economic isolationism and economic liberty does not belong on the sidelines. This is a critical time. We need to stand up and support freedom, democracy, free-enterprise, free trade, and entrepreneurialism."

U.S. Secretary of Commerce, Carlos M. Gutierrez's Remarks Before the Council of the Americas - Tuesday, May 3, 2005, Washington, D.C.

ITA's Trade Promotion and the U.S. & Foreign Commercial Service (Commercial Service or CS) has been modernized to deliver better products and services to business clients and to recover their full costs when applicable. The Commercial Service places primary emphasis on the promotion of goods and services from the United States, particularly by small and medium-sized enterprises (SMEs), and on the protection of U.S. business interests abroad. Currently, U.S. exports account for about 25 percent of U.S. economic growth during the past decade and support an estimated 12 million jobs. In addition, jobs in exporting plants pay wages that average up to 18 percent more than jobs in non-exporting plants.⁵ Commercial Service employees work to expand the number of U.S. companies that export, expand the number of exports companies make in a market and broaden the number of companies that export to more than one country. They provide high-quality services and customized solutions through a unique global network of knowledgeable trade professionals located in over 250 offices domestically and internationally. Help is also extended to provide export assistance to rural companies and minority/women-owned firms. President Bush's top economic priority is the creation of more jobs for American workers. Free and fair trade helps create those higher-paying jobs for American workers by opening new markets for American products and services, bringing lower prices and more choices to American consumers, and attracting foreign companies to invest and hire in the United States. America is economically stronger when we participate fully in the worldwide economy. When 95% of the potential customers for American products live outside the country, America must reject policies that would result in economic isolationism.

⁵ February 2005 President Bush's address to the Women's Entrepreneurship in the 21st Century Forum

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ITA advances trade compliance and market access through its Trade Compliance Center, which works to monitor foreign countries' compliance with trade agreement obligations, addresses compliance violations promptly, and increases awareness among U.S. exporters of the rights created by these trade agreements. The Market Access and Compliance's (MAC) program takes new and proactive measures to ensure that our trading partners honor their commitments. MAC is staffed with experts in intellectual property rights, trade compliance and policy analysis. MAC works closely with the United States Trade Representative (USTR) and the U.S. Patent and Trademark Office (USPTO) to investigate and resolve violations of U.S. negotiated trade agreements.

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

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

Priorities/Management Challenges

Although significant events are difficult to predict as one plans for FY 2007, ITA recognizes there are considerable challenges that the organization will face in the next fiscal year. These are summarized below:

- **Trade Relations with China** – China's trade has been growing rapidly with imports into China from nearly all trading partners growing at double digit rates. Imports from Asia to China in U.S. dollar terms have increased by 43 percent in 2003, while imports from Europe and the U.S. to China increased by 31 percent and 24 percent respectfully. The U.S. imports from China were \$196.7 billion in 2004 (an increase of 29% over 2003), making China the second largest exporter of goods to the United States, behind only Canada's \$256 billion export total. At current rates of growth, China will surpass Canada and become the largest supplier of U.S. imports in 2006. As these figures indicate, trade with China continues to present a number of challenges for U.S. companies. Until WTO accession is completed in 2017, aspects of the Chinese economy are still organized under principles that are inconsistent with the World Trade Organization rules, and, since it is a non-market economy, these issues impact our trading relationship. ITA, in close coordination with the USTR and other agencies, has adopted an aggressive and multi-pronged approach to ensure that China honors its WTO commitments and that U.S. companies benefit from these opportunities. Additionally, IA is focusing and sharpening expertise in China through the China Compliance office that devotes more resources to China and cases/issues unique to non-market economies. Our ability to verify whether China is in compliance with its subsidy obligations is severely hindered by an overall lack of transparency in China, which limits our ability to obtain detailed information on actual subsidy programs. Both bilaterally and at the WTO, we, in concert with the USTR, have been increasing pressure on China to improve transparency of its subsidy practices, including making its required annual notifications to the WTO Subsidies Committee – a responsibility China has failed to meet every year. ITA will remain vigilant on all trade compliance issues with China.

- **Manufacturing in America** – *Manufacturing in America, A Comprehensive Strategy to Address the Challenges to U.S. Manufacturers* (available at www.manufacturing.gov) published in January 2004, acknowledged that manufacturing is vital to the nation's economy, recognizes the unprecedented challenges to U.S. global leadership, and recommends reforms to strengthen manufacturing competitiveness. ITA is implementing the recommendations

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made in the *Manufacturing in America* report. ITA has already addressed 33 recommendations and is working closely with its partners and stakeholders, through the interagency process, to implement the remainder. This effort is critical for U.S. commerce to ensure ITA is fostering an environment in which U.S. firms can compete and succeed in manufacturing.

- **Expanding Global Intellectual Property Rights (IPR) Enforcement** – IPR protection leads to improvements in productivity, and helps trigger new ideas and pushes inventors to improve existing technologies. IPR protection is an essential component of an economic foundation. ITA is focusing resources to enforce U.S. negotiated trade agreements, uphold the U.S. Strategy Targeting Organized Piracy (STOP available at www.stopfakes.gov) and combat violators of IPR around the world. ITA will identify perpetrators along the entire chain, including manufacturers and importers, and will exert pressure on countries where problems are found. ITA will work with U.S. industry and coordinate with other U.S. agencies, including the USPTO and the U.S. Food and Drug Administration (FDA), to investigate allegations of piracy and to help resolve market access and trade compliance cases.
- **Strengthen Federal Trade Promotion Programs and Cooperation** – Two critical annual program priorities for ITA during FY 2006 include our efforts to expand market access and promote U.S. exports in commercially significant markets and to strengthen public-private promotion and implement U.S. government-wide commercial strategies. These priorities reinforce ITA's mandate to increase and improve trade promotion activities for American businesses, especially small and medium-sized enterprises that leverage federal and other assistance programs to successfully compete in the global marketplace. Utilizing the "2005 National Export Strategy", the Secretary of Commerce announced a multi-year national trade promotion agenda to better leverage federal trade promotion programs and initiatives and ensure greater cooperation under the Trade Promotion Coordinating Committee. Recommendations in this agenda included: 1) targeted trade promotion support of markets with the greatest potential for American exporters, including those with Free Trade Agreements and/or other commercially significant market trends such as those in China, Russia, Japan and South Korea; 2) strategies to increase the number of new clients through targeting New-to-Export/New-to-Market (NTE/NTM) companies, as well as rural and minority firms; 3) expansion of mutually beneficial joint programs with trade promotion partners, such as trade associations, SBDCs, FEDEX, NAM and key U.S. and international financial institutions; and 4) strategies to help level the playing field for U.S. companies by promoting good business practices with governments abroad.
- **The Asia-Pacific Partnership (APP) for Clean Development and Climate** is an international agreement announced on July 15, 2005 at an Association of South East Asia Nations (ASEAN)⁶ Regional Forum meeting. Member countries account for around 50% of the world's greenhouse gas emissions, energy consumption, GDP and population. The United States, Australia, China, Japan, India and South Korea agreed to cooperate on development and transfer of technology which enables reduction of greenhouse gas emissions. Russia, Canada, Mexico, Brazil and several ASEAN members have expressed interest in joining the treaty in the future. Unlike the Kyoto Protocol, which imposes mandatory limits on greenhouse gas emissions, this pact allows member countries to set their targets for reducing emissions individually. This enables each nation to achieve results and plan outcomes while considering individual country specific conditions and externalities. The U.S. continues to have a substantial commercial advantage in technologies that reduce energy consumption and limit greenhouse gas emissions.

⁶ The founding member countries of ASEAN were Indonesia, Malaysia, the Phillipines, Singapore and Thailand. States that joined later include Brunei, Vietnam, Laos, Myanmar and Cambodia. Papua New Guinea currently holds observer status in ASEAN.

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**ITA Target and Performance Summary for Annual and Long Term Measures
(By DOC Goal/Objective and ITA Performance Goal)**

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

DOC Objective 1.1: Enhance economic growth for all Americans by developing partnerships with private sector and non-governmental organizations

ITA Performance Goal 1: Enhance U.S. Competitiveness in the Global Marketplace	FY 2002 Actual	FY 2003 Actual	FY 2004 Actual	FY 2005 Actual	FY 2006 Target	FY 2007 Target	FY 2008 Target
Annual Measures							
Number of in-depth U.S. industry analyses completed to quantify the effects of policy proposals against structural cost benchmarks*	N/A	N/A	N/A	New	New	New	New
Percent of total competitiveness impediments identified by industry and other stakeholders where ITA takes appropriate action*	N/A	N/A	N/A	New	New	New	New
Number of analyses and reports developed to improve U.S. trade compliance and market access activities/developments, for example; Miscellaneous Tariff Bill, retaliations, and GSP assessments*	N/A	N/A	N/A	New	New	New	New
Percent of milestones completed in sector specific bilateral and multilateral dialogues and negotiations for trade agreements*	N/A	N/A	N/A	New	New	New	New
Customer perception of ease of access to export and trade information and data	N/A	74	74	74	74 to 76	74 to 76	74 to 76
ITA Performance Goal 1: Enhance U.S. Competitiveness in the Global Marketplace	FY 2002 Actual	FY 2003 Actual	FY 2004 Actual	FY 2005 Actual	FY 2006 Target	Midpoint Target	FY 2011 Target
Long Term Measure (Five Year Period)							
Number of Competitiveness Analyses to be completed	N/A	N/A	N/A	N/A	New	50% of FY 2011 Target	New

* Proposed measures are subject to change

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**ITA Target and Performance Summary for Annual and Long Term Measures
(By DOC Goal/Objective and ITA Performance Goal) continued**

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

DOC Objective 1.1: Enhance economic growth for all Americans by developing partnerships with private sector and non-governmental organizations

Performance Goal 2: Broaden and Deepen the U.S. Exporter Base	FY 2002 Actual	FY 2003 Actual	FY 2004 Actual	FY 2005 Actual	FY 2006 Target	FY 2007 Target	FY 2008 Target
Annual Measures							
Percentage of advocacy actions completed successfully	11.8%	10%	13%	12%	12% to 15%	12% to 15%	12% to 15%
\$ Value of advocacy cases completed successfully	N/A	N/A	N/A	N/A	New	Subject to FY 2006 Baseline	Subject to FY 2006 Baseline
Number of new-to-export export successes	699	896	704	620	700 to 850	700 to 850	700 to 850
Number of new-to-market export successes	5,740	6,278	4,759	4,888	4,760 to 5,500	4,760 to 5,500	4,760 to 5,500
Number of increase-to-market export successes	N/A	N/A	N/A	N/A	New	Subject to FY 2006 Baseline	Subject to FY 2006 Baseline
Number of export transactions made as a result of ITA involvement (Summary)	12,178	14,090	11,382	12,518	11,385 to 13,500	11,385 to 13,500	11,385 to 13,500
Percentage of Commercial Service Fee Funded Programs	New	New	1%	2%	3%	Discontinued	Discontinued

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ITA Performance Goal 2: Broaden and Deepen the U.S. Exporter Base	FY 2002 Actual	FY 2003 Actual	FY 2004 Actual	FY 2005 Actual	FY 2006 Target	Midpoint Target	FY 2011 Target
Long Term Measure (Five Year Period)							
Number of new-to-export export successes	N/A	N/A	N/A	N/A	4,400	50% of FY 2011 Target	5,000
Number of new-to-market export successes	N/A	N/A	N/A	N/A	31,600	50% of FY 2011 Target	35,000
Number of increase-to-market export successes	N/A	N/A	N/A	N/A	New	50% of FY 2011 Target	Subject to FY 2006 Baseline
Number of export transactions made as a result of ITA involvement	N/A	N/A	N/A	N/A	71,500	50% of FY 2011 Target	75,000
Percentage of Commercial Service fee funded programs	N/A	N/A	N/A	2%	3%	Discontinued	Discontinued

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**ITA Target and Performance Summary for Annual and Long Term Measures
(By DOC Goal/Objective and ITA Performance Goal) continued**

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

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

Performance Goal 3: Identify and Resolve Unfair Trade Practices	FY 2002 Actual	FY 2003 Actual	FY 2004 Actual	FY 2005 Actual	FY 2006 Target	FY 2007 Target	FY 2008 Target
Annual Measures							
Percentage of AD/CVD proceedings completed within statutory deadlines	100%	100%	100%	100%	100%	100%	100%
Number of market access and compliance cases initiated	253	144	161	160	150 to 160	150 to 160	150 to 160
Number of market access and compliance cases concluded	New	158 ³	116	85	80 to 90	80 to 90	80 to 90
Percentage of market access and compliance cases initiated on behalf of small and medium-sized businesses	N/A	N/A	N/A	N/A	New	Subject to FY 2006 Baseline	Subject to FY 2006 Baseline
Percentage of market access and compliance cases resolved successfully* (reduction or elimination of the market barrier)	N/A	N/A	N/A	N/A	New	Subject to FY 2006 Baseline	Subject to FY 2006 Baseline
ITA Performance Goal 3: Identify and Resolve Unfair Trade Practices							
Long Term Measure (Five Year Period)	FY 2002 Actual	FY 2003 Actual	FY 2004 Actual	FY 2005 Actual	FY 2006 Target	Midpoint Target	FY 2011 Target
Percentage of AD/CVD proceedings completed within statutory deadlines	N/A	N/A	N/A	N/A	100%	100%	100%
Percentage of market access and compliance cases initiated on behalf of small and medium-sized businesses	N/A	N/A	N/A	N/A	New	Subject to FY 2006 Baseline	Subject to FY 2006 Baseline
Percentage of market access and compliance cases resolved successfully* (reduction or elimination of the market barrier)	N/A	N/A	N/A	N/A	New	Subject to FY 2006 Baseline	Subject to FY 2006 Baseline

³ In FY 2003, the number of cases concluded exceeded the number of cases initiated because the program solved simple cases first.

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**Resource Requirements Summary
(Dollars in Millions)**

ITA Performance Goal 1: Enhance U.S. Competitiveness in the Global Market Place								
	FY 2002 Actual	FY 2003 Actual	FY 2004 Actual	FY 2005 Actual	FY 2006 Estimate	FY 2007 Base	Increase/ Decrease	FY 2007 Request
Manufacturing and Services ⁷	\$69.2	\$69.9	\$52.3	\$58.9	\$51.5	\$47.3	\$.5	\$47.8
Executive Direction/Administration	\$ 1.9	\$ 2.8	\$ 3.7	\$ 3.7	\$ 4.6	\$ 4.3	0	\$4.3
Total Funding	\$71.1	\$72.7	\$56.0	\$62.6	\$56.1	\$51.6	\$.5	\$52.1
Direct	\$69.8	\$70.6	\$54.3	\$62.2	\$54.3	\$49.9	\$.5	\$50.4
Reimbursable	\$ 1.3	\$ 2.1	\$ 1.7	\$.4	\$ 1.8	\$ 1.7	0	\$ 1.7
IT Funding	\$ 4.4	\$ 4.0	\$ 4.0	\$ 4.2	\$ 4.1	\$ 3.7	0	\$ 3.7
FTE	391	402	287	264	258	256	0	256
ITA Performance Goal 2: Broaden and Deepen the U.S. Exporter Base								
	FY 2002 Actual	FY 2003 Actual	FY 2004 Actual	FY 2005 Actual	FY 2006 Estimate	FY 2007 Base	Increase/ Decrease	FY 2007 Request
Commercial Service	\$208.6	\$208.6	\$212.9	\$236.1	\$246.1	\$257.3	\$ 1.5	\$258.8
Executive Direction/Administration	\$ 8.4	\$ 9.1	\$ 13.5	\$ 16.6	\$ 20.6	\$ 22.0	0	\$ 22.0
Total Funding	\$217.0	\$217.7	\$226.4	\$252.7	\$266.7	\$279.3	0	\$280.8
Direct	\$204.1	\$208.4	\$217.5	\$242.1	\$241.4	\$251.6	\$ 1.5	\$253.1
Reimbursable	\$ 12.9	\$ 9.3	\$ 8.9	\$ 10.6	\$ 25.3	\$ 27.7	0	\$ 27.7
IT Funding	\$ 16.4	\$ 14.6	\$ 12.5	\$ 19.9	\$ 20.2	\$ 22.5	0	\$ 22.5
FTE	1,361	1,290	1,273	1,335	1,348	1,354	0	1,354

These figures are generated from Exhibits 5, 7 and 10. The FY 2007 budget request is \$408.8 million and the above table, which shows ITA's performance and budget integration efforts, divides this amount between the agency's three program performance goals:

Goal 1. Broaden and Deepen the U.S. Exporter Base: Commercial Service – 62%;

Goal 2. Identify and Resolve Unfair Trade Practices: MAC and IA – 26%; and

Goal 3. Enhance U.S. Competitiveness in the Global Marketplace: MAS – 12%.

⁷ ITA added \$9.7 million to the Travel and Tourism Expenditure fund.

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**Resource Requirements Summary
(Dollars in Millions) continued**

ITA Performance Goal 3: Identify and Resolve Unfair Trade Practices								
	FY 2002 Actual	FY 2003 Actual	FY 2004 Actual	FY 2005 Actual	FY 2006 Estimate	FY 2007 Base	Increase/ Decrease	FY 2007 Request
Market Access and Compliance	\$ 29.5	\$ 37.9	\$ 42.2	\$ 44.4	\$ 43.9	\$ 40.0	0	\$ 40.0
Import Administration	\$ 38.7	\$ 45.6	\$ 45.4	\$ 63.1	\$ 59.7	\$ 59.7	0	\$ 59.7
Executive Direction/Administration	\$ 4.4	\$ 4.6	\$ 7.0	\$ 8.3	\$ 10.3	\$ 9.2	0	\$ 9.2
Total Funding	\$ 72.6	\$ 88.1	\$ 94.6	\$115.8	\$113.9	\$108.9	0	\$108.9
Direct	\$ 72.1	\$ 87.6	\$ 92.7	\$114.7	\$110.0	\$105.3	0	\$105.3
Reimbursable	\$ 0.5	\$ 0.5	\$ 1.9	\$ 1.2	\$ 3.9	\$ 3.6	0	\$ 3.6
IT Funding	\$ 6.2	\$ 6.5	\$ 6.0	\$ 7.9	\$ 7.6	\$ 6.6	0	\$ 6.6
FTE	513	574	610	638	636	632	0	632

Grand Total								
Total Funding	\$357.7	\$376.9	\$393.7	\$431.2	\$436.7	\$439.8	2.0	\$441.8
Direct	\$342.2	\$365.8	\$380.9	\$419.0	\$405.7	\$406.8	2.0	\$408.8
Reimbursable	\$ 15.5	\$ 11.1	\$ 12.8	\$ 12.2	\$ 31.0	\$ 33.0	0	\$ 33.0
IT Funding	\$ 27.2	\$ 25.6	\$ 22.5	\$ 32.0	\$ 31.9	\$ 32.8	0	\$ 32.8
FTE	2,256	2,255	2,285	2,237	2,242	2,242	0	2,242

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Skill Summary:

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

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

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ITA Performance Goal 1: Enhance U.S. Competitiveness in the Global Marketplace

Corresponding DOC Strategic Goal and Objective:

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

DOC Objective 1.1: Enhance economic growth for all Americans by developing partnerships with private sector and non-governmental organizations

Rationale for ITA Performance Goal 1:

The challenges facing U.S. manufacturers raise important questions for both industry and government. For industry, the question is how best to reinforce the sector's strengths and maintain its competitive edge in an increasingly competitive global economy. The competitive pressure on U.S. manufacturers has forced them to cut costs, to adopt lean manufacturing techniques, and to implement quality assurance programs that guarantee zero defects in production. Innovation in products, processes, and services has become a key determinant for success. Fostering a competitive manufacturing sector also requires a different way of looking at government policy. The right policies in Washington, D.C.—and across the nation—can unleash the great potential of the U.S. economy and create the conditions for growth, prosperity, and job creation. For government, the ultimate question is whether the actions that it takes help or hinder American manufacturers as they compete in global markets. ITA's performance goal reflects the long-term strategy to "Enhance U.S. Competitiveness in the Global Marketplace."

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

ANNUAL MEASURES

Measures: Number of in-depth U.S. industry analyses completed to quantify the effects of policy proposals against structural cost benchmarks

Explanation of Measure:

This proposed measure quantifies the degree to which Manufacturing and Services (MAS) analysis: 1) assists U.S. industry understand the effects of U.S. policy; and 2) assists policy makers accurately assess the impact of policy on U.S. industry. The intended result from this measure is to improve the outcome of policy effects on negotiations and the industries affected by those negotiations.

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FY 2007 Target:

This is a new measure and an FY 2007 target will be set once an FY 2006 baseline is established.

Measures: Percent of total competitiveness impediments identified by industry and other stakeholders where ITA takes appropriate action

Explanation of Measure:

This proposed measure allows MAS to quantify the percentage of instances where ITA takes appropriate action on competitive impediments identified. The outcome is for MAS to identify and address factors that inhibit U.S. competitiveness and to gradually increase the percentage of those identified where ITA can take action.

FY 2007 Target:

This is a new measure and an FY 2007 target will be set once an FY 2006 baseline is established.

Measures: Number of analyses and reports developed to improve U.S. trade compliance and market access activities/developments

Explanation of Measure:

This proposed measure quantifies the number of analyses and reports produced by MAS which assist other agencies (such as USTR) and the U.S. industry, as a whole, to understand and take advantage of U.S. trade compliance and market access developments and activities. MAS is a program partner with ITA's Market Access and Compliance (MAC) program regarding compliance with sector-specific bilateral trade agreements. MAS also works closely with MAC on U.S. industries' perspective on WTO and FTA issues.

FY 2007 Target:

This is a new measure and an FY 2007 target will be set once an FY 2006 baseline is established.

Measures: Percent of milestones completed in sector specific bilateral and multilateral dialogues and negotiations for trade agreements

Explanation of Measure:

This proposed measure is a companion metric to the number of analyses and reports produced by MAS. Its purpose is to quantify the impact of ITA's advancement of trade policy and negotiation on both sector-specific and multilateral negotiations.

FY 2007 Target:

This is a new measure and an FY 2007 target will be set once an FY 2006 baseline is established.

Measure: Customer perception of ease of access to export and trade information and data

Explanation of Measure: ITA continues to enhance its product and service delivery to U.S. exporters. The measure assesses ITA customers' perception that export and trade information and data may be obtained via ITA web sites, database applications, export assistance centers, and other personal interactions with ITA personnel, in a timely and efficient manner. By monitoring ITA's performance in this regard, ITA hopes to increase the timeliness and efficiency of service

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delivery to U.S. businesses and improve the effectiveness of the provision of information and data for persons with disabilities. ITA believes that all customers should be able to obtain export and trade information and data quickly, accurately, and on first contact from courteous employees.

FY 2007 Target:

The FY 2007 target of 74 to 76 percent satisfied is based on survey data obtained from an ITA-wide survey conducted in FY 2003. ITA is currently conducting a second customer satisfaction survey in FY 2006 to measure its progress in customer satisfaction. The FY 2007 target will be adjusted accordingly once the customer survey results are analyzed.

LONG TERM MEASURES

Measures: Number of Competitiveness Analyses to be completed

Explanation of Measure:

This measure evaluates, over the long-term (five year period) the degree to which MAS analysis assists U.S. industry and policy makers accurately assess the impact of trade policy on U.S. industry. This measure will be used to calculate the number of in-depth U.S. industry analyses completed over five years that quantify the effects of policy proposals against structural cost benchmarks. Policy proposals include proposed legislation or regulation that would affect U.S. industry. Examples include tort reform and changes to pension liabilities. Structural cost benchmarks will be established once the baseline has been established. OMB's regulatory review methodology will be employed to ensure consistency with the regulatory process.

FY 2007 Target:

This is a new measure and an FY 2007 target will be set once an FY 2006 baseline is established.

FY 2007 Midpoint Target:

ITA will begin collecting data for this measure in FY 2006. Since this is a long-term measure, the target will be 50% of the 2011 target. The FY2011 target will be set once an FY 2006 baseline is established.

Program Evaluations:

The President has made manufacturing in America a top national priority. ITA participated in over 20 public roundtables to help identify the challenges facing the American manufacturing sector, ITA also analyzed official data that helped gauge the health of the manufacturing sector and produced a report that provides an overview of the domestic and international environment facing American manufacturing, highlights the expressed view of manufacturers regarding the challenges they face, and advances policy recommendations to help ensure that government is creating the conditions necessary for U.S. manufacturers to maximize their competitiveness.

ITA is taking steps to implement the recommendations that will strengthen and/or maintain industry's competitiveness and help American manufacturers compete and win in the 21st century. The Assistant Secretary for Manufacturing and Services has assembled a team to determine the best strategy to achieve the program's desired results. The Assistant Secretary has also identified several challenges the program will address. These include: 1) Creating the conditions for economic growth and manufacturing investment; 2) Determining the best approach for enabling the Service Industry Sector to achieve global comparative advantages in key emerging markets; 3) Lowering the cost of manufacturing in the United States; 4) Investing in innovation; and 5) Strengthening education, retraining, and economic diversification.

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Crosscutting Activities:

Intra-Department of Commerce

- The USPTO-provides support to ITA during international negotiations on intellectual property rights and advises ITA on patent and trademark issues.

Other Government Agencies

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

Government/Private Sector

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

External Factors and Mitigation Strategies:

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

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

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ITA Performance Goal 2: Broaden and Deepen the U.S. Exporter Base

Corresponding DOC Strategic Goal:

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

DOC Objective 1.1: Enhance economic growth for all Americans by developing partnerships with private sector and non-governmental organizations

Rationale for ITA Performance Goal 2:

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

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

ANNUAL MEASURES

Measure: Percentage of Advocacy Actions Completed Successfully

Explanation of Measure:

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

FY 2007 Target:

Based on historical data trends, the FY 2007 target will remain a 12% to 15% range.

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Measure: Dollar Value of Advocacy Cases Completed Successfully

Explanation of Measure:

This performance measure provides specific information about the effectiveness of the Commercial Service's Advocacy efforts by determining the associated dollar volume for ITA's success providing U.S. companies the same level of coordinated, strategic government support as their foreign competitors receive from their host governments in the procurement process for contracts. This performance measure indicates the specific dollar value of U.S. export content of advocacy cases completed successfully as evidenced by a contract award, signed contract or other significant export-related benefit.

FY 2007 Target:

This is a new ITA measure. Baseline data will begin to be collected in September 2006. The FY 2007 target will be adjusted accordingly once baseline and actual data are collected.

Measure: Number of New-to-Export Export Successes

Explanation of Measure:

The Commercial Service focuses on SMEs that are export-ready. Export-ready firms are those with competitive products or services and are firms that already possess a level of financial and managerial strength that should enable them to export. The Commercial Service will record and report on the number of U.S. firms exporting for the first time that transact an actual verifiable export sale, which includes: shipment of goods or delivery of services; signing of a legally binding agreement, including agent or distributor, representation, joint venture, strategic alliance, licensing, and franchising agreements; or signing of a contract with future sales expected for the first time. Additionally, the firm must not have exported in the last 24 months, have prior exports resulting from unsolicited orders, or have exports that were made through a U.S.-based intermediary.

FY 2007 Target:

The target is 700 to 850 export successes. This target reflects current U.S. export trends attributable to uncertainties associated with global conditions and exporting expectations.

Measure: Number of New-to-Market Export Successes

Explanation of Measure:

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

FY 2007 Target:

The target is 4,760 to 5,500 export successes. This target also reflects current U.S. export trends attributable to uncertainties associated with global conditions and exporting expectations.

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Measure: Number of Increase-to-Market Export Successes

Explanation of Measure:

The purpose of this measure is to gauge the success of ITA in helping U.S. suppliers expand their export transactions in markets where they have already sold U.S. products and services. The number of export sales or other significant export-related benefits achieved with the support of Commercial Service personnel or programs by a U.S. exporter in a foreign market to which it has actively exported during the immediately preceding 24-month period.

FY 2007 Target:

This is a new ITA measure. Baseline data will begin to be collected in September 2006. The FY 2007 target will be adjusted accordingly once baseline and actual data are collected.

Measure: Number of Export Transactions made as a Result of ITA Involvement

Explanation of Measure:

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

FY 2007 Target:

The FY 2007 target range is 11,385 to 13,500 transactions. The range reflects the impact of budgetary rescissions and the expected impact of higher prices of products and services.

LONG TERM MEASURES

Measure: Number of New-to-Export Successes

Explanation of Measure:

This measure is similar to the annual New-to-Export export success measure stated above but is cumulative and is reported as a long-term measure. Similarly, the Commercial Service focuses on SMEs that are export-ready. Export-ready firms are those with competitive products or services and are firms that already possess a level of financial and managerial strength that should enable them to export. The Commercial Service will record and report on the number of U.S. firms exporting for the first time that transact an actual verifiable export sale, which includes: shipment of goods or delivery of services; signing of a legally binding agreement, including agent or distributor, representation, joint venture, strategic alliance, licensing, and franchising agreements; or signing of a contract with future sales expected for the first time. Additionally, the firm has not exported in the last 24 months, prior exports have resulted from unsolicited orders, or exports were made through a U.S.-based intermediary.

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FY 2007 Midpoint Target:

The FY 2006 target was set to meet a long-term goal of 4,400 U.S. firms to begin exporting over a period of six years (from 2001 to 2007) from a baseline of 400,000 SMEs that currently do not export. The FY 2007 midpoint target is 50% of the FY 2011 target. The FY 2011 target is 5,000 U.S. Firms.

Measure: Number of New-to-Market Successes

Explanation of Measure:

This measure is similar to the annual New-to-Market export success measure stated above but is cumulative and is reported as a long-term measure. Similarly, this performance measure helps to assess the Commercial Services' success bringing in U.S. exporters who have exported into a new overseas market. It measures the Commercial Services' effectiveness in promoting trade. The Commercial Service records and reports on the number of U.S. exporters entering new markets that transact actual verifiable export sales, which include: shipment of goods or delivery of services; signing of legally binding agreements, including agent or distributor, representation, joint venture, strategic alliance, licensing, and franchising agreements; and signing of contracts with future sales expected for the first time.

FY 2007 Midpoint Target:

The FY 2006 target predicts that the Commercial Service will help 31,600 total U.S. exporters entering a new market over a period of six years, 2001 through 2006. The FY 2007 Midpoint target is 50% of the FY 2011 target. The FY 2011 target is 35,000 exports.

Measure: Number of Increase-to-Market Export Successes

Explanation of Measure:

This measure is similar to the annual Increase-to-Market export success measure stated above but is cumulative and is reported as a long-term measure. Similarly, the purpose of this measure is to gauge the success of ITA in helping U.S. suppliers expand their export transactions in markets where they have already sold U.S. products and services. The number of export sales or other significant export-related benefits achieved with the support of Commercial Service personnel or programs by a U.S. exporter in a foreign market to which it has actively exported during the immediately preceding 24-month period.

FY 2007 Target:

This is a new ITA measure. Baseline data will begin to be collected in September 2006. The FY 2007 target will be adjusted accordingly once baseline and actual data are collected.

Measure: Number of Export Transactions made as a Result of ITA Involvement

Explanation of Measure:

This measure is similar to the Number of Export Transactions made as a Result of ITA Involvement measure stated above but is cumulative and is reported as a long-term measure. Similarly, this is a performance measure that captures information on the number of export transactions executed by U.S. firms that resulted directly from Commercial Services' counseling, matchmaking, research, information products, or other export promotion activities. An export transaction occurs when the Commercial Service: facilitates an actual verifiable export sale, a shipment of goods or delivery of services; helps a client identify and sign with an

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agent or distributor or sign a contract that ensures the expectation of future sales, where there is a direct link between the assistance provided and the resulting outcome; and helps a U.S. firm avoid harm or loss, for example, by helping it obtain payment or resolve some other kind of trade dispute.

FY 2007 Midpoint Target:

The FY 2006 target was set to meet a long-term goal of 71,500 export transactions made as a result of ITA involvement. The FY07 midpoint target is 50% of the FY 2011 target. The FY 2011 is 75,000 export transactions.

Measure: Percentage of Commercial Services Fee Funded Programs

Explanation of Measure: In FY 2003, ITA undertook a Program Assessment Rating Tool (PART) review of the Commercial Service. As a result of the review, ITA developed a long-term efficiency measure to capture information on the Commercial Services' fee funding progress. ITA has determined that by the end of 2006, 3% of the Commercial Service programs will be fee funded. ITA has undertaken an extensive effort to collect and supplement base program operations by revenues obtained from fees. ITA anticipates discontinuing this measure after FY 2006 to be replaced by more advanced efficiency and marginal cost measures.

Program Evaluations:

During this past year, both the Inspector General and independent auditors have reviewed and found discrepancies in collected and reported Commercial Service performance data. This issue has becoming increasingly critical because of the heightened emphasis that is being placed on performance results. Commercial Service and ITA's Chief Financial Officer have initiated actions to ensure effective performance-measure oversight through close coordination with ITA measure owners and through a program of independent verification and validation reviews.

In FY 2005, ITA's Planning and Performance Management Staff, in conjunction with ITA Program "Measure Owners," have conducted Independent Verification and Validation (IV&V) Reviews of selected performance measures. This included reviews in ITA's U.S. and Foreign Commercial Service (Commercial Service or CS) program including two Commercial Service U.S Export Assistance Centers in the domestic field (Rosslyn, VA and Chicago, IL), a detailed review of the Commercial Service' Export Transaction Measure completed in conjunction with DOC staff and a review of export successes at the Commercial Service overseas posts in Brussels. In the spirit of the President's Management Agenda, these reviews have enabled ITA to verify measure data that expresses progress toward achieving ITA strategic goals.

The IV&V reviews have addressed data collection and reporting issues, inconsistencies and accountability weaknesses identified in Inspector General Inspection reports completed for Chicago, Philadelphia, Turkey, India and the Pacific Northwest; and, follow through on ITA's resulting action plans. The IV&V review in IA addressed weaknesses regarding statutory deadlines. These IV&V reviews reinforce ITA's and the Department's credibility on planning and performance management and provide an opportunity for ITA to strengthen internal controls and to clarify and harmonize performance data reporting standards worldwide.

Cross-cutting Activities:

Intra-Department of Commerce

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

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Other Government Agencies

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

Government/Private Sector

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

External Factors and Mitigation Strategies:

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

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

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Performance Goal 3: Identify and Resolve Unfair Trade Practices

Corresponding DOC Strategic Goal:

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

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

Rationale for ITA Performance Goal 3:

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

Dumping and the provision of certain subsidies have been condemned by the international community as reflected in the General Agreement on Tariffs and Trade (GATT) and subsequently in the World Trade Organization (WTO) Agreement. IA's administration of the United States' Anti-Dumping/Countervailing Duty (AD/CVD) laws and its subsidy enforcement activities provide U.S. companies with appropriate remedies to address unfairly traded imports consistent with U.S. law and our international obligations. The agency's work at the WTO helps ensure that access to these needed remedies is not weakened or undermined. In addition, IA's assistance to U.S. exporters subject to foreign AD/CVD proceedings helps ensure that these companies receive fair treatment in proceedings that adhere to that country's obligations under the WTO. Further, the Steel Import Monitoring and Analysis (SIMA) system was designed to provide U.S. steel producers and users with important real-time market information in an area that has traditionally been subject to market disruptions and unfair trade in a manner consistent with the United States' WTO obligations regarding import licensing.

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

Trade compliance with negotiated trade agreements and access to foreign markets are existing problems faced by U.S. businesses that choose to sell their products overseas. These problems require U.S. government support. The Market Access and Compliance program unit ensures market access for Americans, advances the rule of law internationally, and creates a fair, open, and predictable trading environment. In addition, the MAC program conducts critical trade policy analysis and negotiation support for the USTR and represents the Department in trade related dealings with other U.S. government agencies.

MAC uses a range of techniques to advocate on behalf of U.S. business and intervene with other governments to ensure foreign compliance with existing trade agreements and to eliminate trade barriers. Trade agreement compliance and foreign trade barriers have been a continuous problem for U.S. exporting firms, large and small. Many companies, especially small and medium sized firms, do not have the resources, knowledge or leverage to influence foreign governments,

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their laws and regulatory regimes. Based on customer need, MAC has a sizeable caseload each year from U.S. firms that have encountered a trade barrier. In FY 2005, MAC initiated 160 cases from U.S. industries and concluded 85.

Government to government representation is often required to influence and shape trade policies developed by foreign governments so the policies don't become impediments to U.S. access of their market. The MAC program addresses the specific existing problem of helping U.S. firms become more aware of their rights and benefits under all trade agreements (bilateral, regional or multilateral) signed by the United States, and to ensure that they encounter a level playing field when they enter a foreign market. MAC monitors or oversees the monitoring of over 250 trade agreements.

ANNUAL MEASURES

Measure: Percentage of AD/CVD proceedings completed within statutory deadlines

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

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

FY 2007 Target:

The FY 2007 target of 100 % is based on the data maintained by IA. The planned target reflects the percentage of antidumping/countervailing duty cases to be completed by the unit.

Measure: Number of Market Access and Compliance Cases Initiated

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

FY 2007 Target:

The FY 2007 target of 150 to 160 cases is based on the actual number of cases initiated during FY 2005.

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Measure: Number of Market Access and Compliance Cases Concluded

Explanation of Measure: This performance measure addresses ITA's efforts in obtaining market access for U.S. exporters and achieve foreign government compliance with trade agreements. The number of market access and compliance cases concluded is based on a number of cases processed by ITA where no further action by ITA is warranted—the case is successfully resolved; the complaint was groundless, i.e., no violation; industry decides not to pursue the complaint; the case is referred to USTR for consideration for formal dispute settlement resolution; or the problem cannot be resolved despite ITA efforts. Market access cases arise from complaints received by ITA from U.S. companies experiencing overseas barriers to U.S. exports that are not covered by trade agreements. Compliance cases arise from complaints received by ITA from U.S. companies regarding failures by foreign governments to implement specific terms in trade agreements negotiated by the U.S. and through monitoring efforts by ITA compliance officers.

FY 2007 Target:

The FY 2007 target of 80 to 90 cases concluded is based on the actual number of cases concluded during FY 2005.

Measure: Percentage of Market Access and Compliance Cases Initiated on Behalf of Small and Medium-Sized Businesses

Explanation of Measure: The purpose of this measure is to gauge the number of SMEs (500 or fewer employees) experiencing problems with trade barriers that are served by ITA in a given year. This measure also determines the number of SMEs affected by trade barriers vs. the total number of cases initiated in a given fiscal year. The total number of market access and compliance cases initiated in a given fiscal year where the complainant is a small or medium sized business .

FY 2007 Target:

This is a new ITA measure. Baseline data will begin to be collected in September 2006. The FY 2007 target will be adjusted accordingly once baseline and actual data are collected.

Measure: Percentage of Market Access and Compliance Cases Resolved Successfully (reduction or elimination of the market barrier)

Explanation of Measure: This measure is a subset of the total number of market access and compliance cases resolved. The team working on the case in collaboration with the company/industry that initiated the case determines a success. Examples of successes include; prompting a country to remove or suspend a trade barrier, ensure that U.S. concerns are incorporated into a trade agreement or foreign regulation, prompt foreign government to adopt an internationally recognized standard or legal statute that either encourages fair trade or prevents restrictive trade barriers.

FY 2007 Target:

This is a new ITA measure. Baseline data will begin to be collected in September 2006. The FY 2007 target will be adjusted accordingly once baseline and actual data are collected.

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LONG TERM MEASURES

Measure: Percentage of AD/CVD proceedings completed within statutory deadlines

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

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

FY 2007 Target:

The FY 2007 target of 100 percent is based on the data maintained by IA. The planned target reflects the percentage of antidumping/countervailing duty cases to be completed by the unit.

Measure: Percentage of Market Access and Compliance Cases Initiated on Behalf of Small and Medium-Sized Businesses

Explanation of Measure: This measure is similar to the annual measure but is reported as a long-term measure. Similarly, the purpose of this measure is to gauge the number of SMEs experiencing problems with trade barriers that are served by ITA in a given year. This measure also determines the number of SMEs affected by trade barriers vs. the total number of cases initiated in a given fiscal year. The total number of market access and compliance cases initiated in a given fiscal year where the complainant is a small or medium sized business (500 or fewer employees).

FY2007 Mid-point Annual Target:

This is a new ITA measure. Baseline data will begin to be collected in September 2006. The FY 2007 target will be adjusted accordingly once baseline data is collected.

Measure: Percentage of Market Access and Compliance Cases Resolved Successfully (reduction or elimination of the market barrier)

Explanation of Measure: This measure is similar to the annual measure but is reported as a long-term measure. Similarly, this measure is a subset of the total number of market access and compliance cases resolved. The team working on the case in collaboration with the company/industry that initiated the case determines a success. Examples of successes include; prompting a country to remove or suspend a trade barrier, ensure that U.S. concerns are incorporated into a trade agreement or foreign regulation, prompt foreign government to adopt an internationally recognized standard or legal statute that either encourages fair trade or prevents restrictive trade barriers. The purpose of this measure is to gauge the effectiveness of the organization's efforts to successfully remove foreign trade barriers (or prevent their implementation) on behalf of U.S. industry.

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FY 2007 Midpoint Target:

This is a new ITA measure. Baseline data will begin to be collected in September 2006. The FY 2007 target will be adjusted accordingly once baseline and actual data are collected.

Program Evaluations:

Import Administration - Within the past five years, IA has been referenced in several independent cross-agency GAO studies on monitoring and enforcement and the Commerce Department's Inspector General (IG) has completed one IA-specific survey on statutory deadlines and reviews. The IG study included specific recommendations. In addition, IA participated in an ITA-wide customer survey to assess IA's effectiveness and to continuously improve its programs.

IA also conducts internal reviews to enhance the performance of its programs with respect to customer service, development of expertise, use of effective information management and timeliness. For example, IA is in the process of enhancing its information management and analytical methods by working with CBP on the International Trade Data System (ITDS), which will enable IA to expand its capacity to perform analysis and aid in the issuance of AD/CVD instructions to the Customs Border Patrol. Additionally, IA has published Federal Register notices requesting public comments on unfair trade practices, the steel import licensing system and on the non-market economy methodologies applied by IA to ensure agency responsiveness to public concerns and to provide for transparency of IA's activities.

The IG recommended that IA focus on management control processes, procedures, training needs, and technology enhancements. IA is in the process of implementing the IG January 2005 findings by upgrading internal management tools used to manage reviews. In addition, IA intends to issue a public clarification of its longstanding practice that a statutory deadline for both AD and CVD administrative reviews that falls on a weekend or legal holiday will be issued on the following business day. Lastly, in 2004, IA and the Office of the Chief Information Officer (OCIO) procured a software system to address their collective document management and web content management needs.

IA conducted a customer satisfaction survey in the spring of 2003. The survey evaluated the overall program success and the portfolio of IA's services by:

1. Benchmarking ITA and IA against other federal regulatory government agencies;
2. Identifying "quality of service" concerns;
3. Showing which aspects of service have the greatest effect on satisfaction; and
4. Identifying recommended adjustments.

ITA hired an external contractor, the CFI Group to use their patented methodology to conduct the survey to ensure the integrity of the analysis and the anonymity of the customer responses. Based on the survey findings, IA improved its web-based services to meet customers' expectations by making them aware of the particular information IA is able to provide in a timely and open manner. A second customer survey will be completed by the spring of 2006 and those results will be used to improve customer satisfaction.

Market Access and Compliance - Within the past five years, MAC has participated in five cross-agency GAO studies on monitoring and enforcement and one MAC-specific IG report on the Trade Compliance Center. In addition, MAC participated in an ITA-wide customer survey to assess customer satisfaction with MAC's products and services. These studies highlighted MAC's strengths and identified areas for development, such as increased compliance coordination throughout ITA and across trade agencies and the development of an action plan to improve case tracking. To date, MAC has addressed all recommendations.

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MAC also participated in an ITA-wide customer satisfaction survey in the spring of 2003 and is utilizing the results to enhance program operations. A second customer survey will be completed by the spring of 2006 and those results will be used to improve customer satisfaction.

Program Assessment Rating Tool Reviews – During FY 2005 and in the first quarter of FY 2006, ITA worked closely with OMB to complete Program Assessment Rating Tool (PART) reviews of both the IA and MAC programs. Results from these PART reviews have assisted both programs to gauge their strategic planning efforts and to improve their performance metrics.

The MAC program used the PART review to spur the development of improved outcome oriented measures. The IA PART review identified the need for IA to develop impact and result measures, both long-term and annual, for its AD/CVD program. These IA annual and long-term measures will be developed during FY 2006 and should be in place for initial rollout and implementation during FY 2007. Measures under the AD/CVD program must be developed carefully since the program must operate within the confines of the AD/CVD regulations, the enabling law and under the terms of the WTO subsidy agreement framework.

In FY 2005, ITA's Planning and Performance Management Staff, in conjunction with ITA Program "Measure Owners," have conducted Independent Verification and Validation (IV&V) Reviews of selected performance measures. This includes reviews in ITA's MAC and IA programs. . In the spirit of the President's Management Agenda, these reviews have enabled ITA to verify measure data that expresses progress toward achieving ITA strategic goals.

Crosscutting Activities:

Intra-Department of Commerce

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

Other Government Agencies

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

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Government/Private Sector

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

External Factors and Mitigation Strategies:

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

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

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Data Validation and Verification

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

PERFORMANCE MEASURE	DATA SOURCE	FREQUENCY	DATA STORAGE	INTERNAL CONTROL PROCEDURES	DATA LIMITATIONS
Number of in-depth U.S. industry analyses completed to quantify the effects of policy proposals against structural cost benchmarks	Data Base To Be Established	Annual	PBViews®	ITA staff will perform analysis to verify results and data sources	New Measure
Percent of total competitiveness impediments identified by industry and other stakeholders where ITA takes appropriate action	U.S Industry	Annual	PBViews®	ITA staff will perform analysis to verify results and data sources	New Measure
Number of analyses and reports developed to improve U.S. trade compliance and market access activities/developments, for example; Miscellaneous Tariff Bill, retaliations, and Generalized System of Preferences (GSP) assessments	U.S Industry & Stakeholders	Annual	PBViews®	ITA staff will perform analysis to verify results and data sources	New Measure
Percent of milestones completed in sector specific bilateral and multilateral dialogues and negotiations for trade agreements	Data Base To Be Established	Annual	PBViews®	ITA staff will perform analysis to verify results and data sources	New Measure

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PERFORMANCE MEASURE	DATA SOURCE	FREQUENCY	DATA STORAGE	INTERNAL CONTROL PROCEDURES	DATA LIMITATIONS
Customer perception of ease of access to export and trade information and data	ITA customers (U.S. exporters)	Broad survey conducted every two years. However, ITA is currently considering an approach to increase results frequency.	PBViews®	ITA staff will perform analysis to verify statistical results of survey data.	Limitations exist in the level of response to survey.
Number of competitiveness analyses to be completed	U.S. Industry & Stakeholders	Every 5 years (Long-term Measure)	PBViews®	ITA staff will perform analysis to verify results and data sources	New Measure
Percentage of advocacy actions completed successfully	U.S. companies that benefit from U.S. government advocacy	Annually	PBViews®	The Advocacy Center conducts annual verifications with customers to confirm the dollar value of exports generated through the support of U.S. government effort.	In some cases a host government overturns awards, and the winning U.S. company then loses the project. Quality of data is dependent on client's willingness to provide the data. Some clients elect not to provide information to ITA due to business proprietary concerns. U.S. embassies in some instances do not report all advocacy projects they have worked on in a given fiscal year.

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PERFORMANCE MEASURE	DATA SOURCE	FREQUENCY	DATA STORAGE	INTERNAL CONTROL PROCEDURES	DATA LIMITATIONS
Dollar value of U.S. content in successful advocacy cases	Information is reported from the Trade Advocacy Center's database and verified with U.S. firms on annual basis.	Annually	PBViews®	The Advocacy Center conducts annual verifications with customers to confirm the dollar value of exports generated through the support of U.S. government effort.	In some cases a host government overturns awards, and the winning U.S. company then loses the project. Quality of data is dependent on client's willingness to provide the data. Some clients elect not to provide information to ITA due to business proprietary concerns. U.S. embassies in some instances do not report all advocacy projects they have worked on in a given fiscal year.
Number of new-to-export export successes	U.S. firms	Quarterly	Client Management System and PBViews®	ITA performs quality control, including error checking and elimination of duplicates, and verifies results through peer review of verifiable documentation.	Data reported is wholly dependent on a client's willingness to provide such information and underreporting is likely.
Number of increase-to-market export successes	U.S. firms	Quarterly	Client Management System	ITA performs quality control, including error checking and elimination of duplicates, and verifies results through peer review of verifiable documentation.	Data reported is wholly dependent on a client's willingness to provide such information and underreporting is likely.
Number of new-to-market export success	U.S. exporters	Quarterly	Client Management System and PB Views	ITA performs quality control, including error checking and elimination of duplicates, and verifies results through peer review of verifiable documentation.	Data reported is wholly dependent on a client's willingness to provide such information and underreporting is likely.

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PERFORMANCE MEASURE	DATA SOURCE	FREQUENCY	DATA STORAGE	INTERNAL CONTROL PROCEDURES	DATA LIMITATIONS
Number of export transactions made as a result of ITA Involvement	U.S. exporters	Quarterly	Client Management System and PBViews®	ITA performs quality control, including error checking and elimination of duplicates, and verifies results through peer review of verifiable documentation.	Data reported is wholly dependent on a client's willingness to provide such information and underreporting is likely.
Percentage of Commercial Service fee funded programs	ITA accounting system	Annually	ITA accounting system	Quarterly controls conducted by Department of Commerce	Financial coding errors
Number of new-to-export successes	U.S. exporters	Every 5 years (Long-term Measure)	Client Management System and PBViews®	ITA performs quality control, including error checking and elimination of duplicates, and verifies results through peer review of verifiable documentation.	Data reported is wholly dependent on a client's willingness to provide such information and underreporting is likely.
Number of new-to-market export successes	U.S. firms	Every 5 years (Long-term Measure)	Client Management System and PBViews®	ITA performs quality control, including error checking and elimination of duplicates, and verifies results through peer review of verifiable documentation.	Data reported is wholly dependent on a client's willingness to provide such information and underreporting is likely.
Number of export transactions made as a result of ITA involvement	U.S. exporters	Every 5 years (Long-term Measure)	Client Management System and PBViews®	ITA performs quality control, including error checking and elimination of duplicates, and verifies results through peer review of verifiable documentation.	Data reported is wholly dependent on a client's willingness to provide such information and underreporting is likely.
Number of increase-to-market export successes	U.S. exporters	Every 5 years (Long-term Measure)	Client Management System and PBViews®	ITA performs quality control, including error checking and elimination of duplicates, and verifies results through peer review of verifiable documentation.	Data reported is wholly dependent on a client's willingness to provide such information and underreporting is likely.

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PERFORMANCE MEASURE	DATA SOURCE	FREQUENCY	DATA STORAGE	INTERNAL CONTROL PROCEDURES	DATA LIMITATIONS
Percentage of Commercial Service fee funded programs	ITA accounting system	Every 5 years (Long-term Measure)	ITA accounting system	Quarterly controls conducted by DOC and are reported to OMB	None.
Percentage of AD/CVD proceedings completed within statutory deadlines	IA cases completed in accordance with the statutory deadline	Quarterly	Data from the AD/CVD Case Management System is stored in the PBViews®.	Each case is supported by final determinations, including Federal Register notices.	None
Number of Market Access and Compliance cases initiated	Petitions from U.S. firms encountering trade barriers and compliance by foreign governments with U.S. negotiated international trade agreements	Quarterly	Data from the ITA compliance activity database maintained by the Trade Compliance Center (TCC) is stored in the PBViews®.	MAC ensures system integrity and performs quality control, including error checking, elimination of duplicate cases reported, and, through peer review, verification of documentation.	A number of factors, including U.S. business cooperation, global trade trends, political developments, and the extent to which foreign governments create barriers or act inconsistently with trade obligations (an exogenous factor) will impact the actual numbers.

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PERFORMANCE MEASURE	DATA SOURCE	FREQUENCY	DATA STORAGE	INTERNAL CONTROL PROCEDURES	DATA LIMITATIONS
Number of Market Access and compliance cases concluded	ITA Compliance and Market Access Management System database, which contains data on U.S. firms encountering foreign trade barriers	Quarterly	Data from the ITA Compliance and Market Access Case Management System is stored in the PBViews® database.	Records support each case and many of the cases have been highlighted in the Commerce Secretary's Monthly Compliance Case Report. MAC ensures the integrity of the ITA-wide Compliance and Market Access Case Management System. The Compliance and Market Access Case Management System is updated daily. Performance data is monitored and certified internally.	Number of cases "concluded" depends on the accurate tracking of case assignment and case disposal.
PERFORMANCE MEASURE	DATA SOURCE	FREQUENCY	DATA STORAGE	INTERNAL CONTROL PROCEDURES	DATA LIMITATIONS
Percentage of market access and compliance cases initiated on behalf of small and medium-sized businesses	ITA Compliance and Market Access Management System database	Quarterly	PBViews®	Information reported by companies can be checked against public records to verify that the business is a SME.	Relies on accurate reporting by the firm. Caseload is largely driven by private sector complaints and government monitoring efforts. A number of factors, including U.S. business cooperation, global trade trends, political developments, and the extent to which foreign governments are creating barriers to trade.

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PERFORMANCE MEASURE	DATA SOURCE	FREQUENCY	DATA STORAGE	INTERNAL CONTROL PROCEDURES	DATA LIMITATIONS
Percentage of market access and compliance case resolved successfully (reduction or elimination of the market barriers)	ITA Compliance and Market Access Management System database	Every 5 years (Long-term Measure)	PBViews®	Each month, MAC office managers review case data relevant to their areas in the MAC database.	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.
Percentage of AD/CVD cases completed on time	ITA Compliance and Market Access Management System database	Every 5 years (Long-term Measure)	Data from the AD/CVD Case Management System is stored in the PBViews®.	Each case is supported by final determinations including Federal Register notices.	None
Percentage of market access and compliance cases initiated on behalf of small and medium-sized businesses	ITA Compliance and Market Access Management System database	Every 5 years (Long-term Measure)	PBViews®	Information reported by companies can be checked against public records to verify that the business is a SME.	Relies on accurate reporting by the firm. Caseload is largely driven by private sector complaints and government monitoring efforts. A number of factors, including U.S. business cooperation, global trade trends, political developments, and the extent to which foreign governments are creating barriers to trade.
Percentage of market access and compliance cases resolved successfully (reduction or elimination of the market barriers)	ITA Compliance and Market Access Management System database	Every 5 years (Long-term Measure)	PBViews®	Each month, MAC office managers review case data relevant to their areas in the MAC database.	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.

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Exhibit 5

SUMMARY OF RESOURCE REQUIREMENTS: DIRECT OBLIGATIONS

(Dollar Amounts in Thousands)

	Positions	FTE	Direct Obligations	Gross BA	Net BA
FY 2006 Enacted	2,293	2,217	393,830	406,830	393,830
less: Obligations from prior years	0	0	0	0	0
plus: Restoration of Rescissions	0	0	0	0	0
plus: 2007 Adjustments-to-Base			12,952	12,952	12,952
FY 2007 Base	2,293	2,217	406,782	419,782	406,782
plus: FY 2007 Program Changes	0	0	2,000	2,000	2,000
Total FY 2007 Estimate	2,293	2,217	408,782	421,782	408,782

Comparison by activity/subactivity	2005 Actual		2006 Currently Available		2007 Base		2007 Estimate		Increase/ (Decrease)	
	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount
Manufacturing and Services										
Pos./Gross BA	269	47,861	242	46,828	242	46,828	242	47,328	0	500
Pos./Net BA	269	47,861	242	46,828	242	46,828	242	47,328	0	500
FTE/Obl.	244	49,037	237	47,072	237	46,828	237	47,328	0	500
Market Access and Compliance										
Pos./Gross BA	248	42,048	214	39,306	214	39,306	214	39,306	0	0
Pos./Net BA	248	42,048	214	39,306	214	39,306	214	39,306	0	0
FTE/Obl.	204	44,388	209	43,192	209	39,306	209	39,306	0	0
Import Administration										
Pos./Gross BA	408	63,708	384	61,367	384	61,367	384	61,367	0	0
Pos./Net BA	408	61,708	384	59,367	384	59,367	384	59,367	0	0
FTE/Obl.	388	62,609	382	59,367	382	59,367	382	59,367	0	0
Trade Promotion and US & Foreign Commercial Service										
Pos./Gross BA	1,119	221,085	1,301	228,839	1,301	246,791	1,301	248,291	0	1,500
Pos./Net BA	1,119	215,085	1,301	222,839	1,301	235,791	1,301	237,291	0	1,500
FTE/Obl.	1,238	226,752	1,254	226,595	1,254	235,791	1,254	237,291	0	1,500
Executive Direction/Administration										
Pos./Gross BA	169	25,661	152	25,490	152	25,490	152	25,490	0	0
Pos./Net BA	169	25,661	152	25,490	152	25,490	152	25,490	0	0
FTE/Obl.	137	26,422	135	25,490	135	25,490	135	25,490	0	0
TOTALS										
Pos./Gross BA	2,213	400,363	2,293	401,830	2,293	419,782	2,293	421,782	0	2,000
Pos./Net BA	2,213	392,363	2,293	393,830	2,293	406,782	2,293	408,782	0	2,000
FTE/Obl.	2,211	409,208	2,217	401,716	2,217	406,782	2,217	408,782	0	2,000
Fees		7,893		8,000		13,000		13,000		
Adjustments for:										
Recoveries		(13,633)		0		0		0		0
Unobligated balance, start of year		(11,627)		(7,886)		0		0		0
Unobligated balance, start of year cash on hand		0		0		0		0		0
Unobligated balance, carryover		(241)								
Unobligated balance, expiring		378		0		0		0		0
Unobligated balance, end of year		7,886		0		0		0		0
Unobligated balance, end of year cash on hand		3,029								
Fees Collected		(7,893)								
Rescission		5,256		0						
Financing from:										
Transfers to other accounts		0		0		0		0		0
Transfers from other accounts		(4,106)		0		0		0		0
Net Appropriation		388,257		393,830		406,782		408,782		2,000

Notes:

1. Position and FTE numbers are based from the FY 2005 FTE and Staffing Plan and the FY 2007 FTE Guidance submitted to DOC. ITA's total FTE number is 2,242 and total position number is 2,318. The FY 2005 fees figure is the most up-to-date and does not match MAX

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Exhibit 5

SUMMARY OF RESOURCE REQUIREMENTS: DIRECT OBLIGATIONS

**United States Travel and Tourism Promotion
(Dollar Amounts in Thousands)**

	Positions	FTE	Direct Obligations	Budget Authority
Total FY 2006 Enacted	0	0	3,949	3,949
less: Obligations from prior years	0	0	0	0
plus: 2007 Adjustments-to-Base	0	0	0	0
FY 2007 Base	0	0	3,949	3,949
plus: FY 2007 Program Changes	0	0	(3,949)	(3,949)
Total FY 2007 Estimate	0	0	0	0

		2005 Actual		2006 Currently Available		2007 Base		2007 Estimate		Increase/ (Decrease)	
		Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount
Comparison by activity/subactivity											
Travel and Tourism Promotion	Pos./BA.	0	9,866	0	3,949	0	0	0	0	0	0
(MAS)	FTE/Obl.	0	9,747	0	4,068	0	0	0	0	0	0
TOTALS		0	9,866	0	3,949	0	0	0	0	0	0
Adjustments for:											
Recoveries			0		0		0		0		0
Unobligated balance, start of year			0		(119)		0		0		0
Unobligated balance, start of year adjustment			0		0		0		0		0
Unobligated balance, transferred			0		0		0		0		0
Unobligated balance, end of year			119		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			0		0		0		0		0
Net Appropriation		0	9,866	0	3,949	0	0	0	0	0	0

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Exhibit 5

**SUMMARY OF RESOURCE REQUIREMENTS
Grants to Manufacturers of Worsted Wool
(Dollar Amounts in Thousands)**

		Positions	FTE	Direct Obligations	Budget Authority				
Total FY 2006 Enacted		0	0	0	0				
less: Obligations from prior years		0	0	0	0				
plus: 2007 Adjustments-to-Base		0	0	0	0				
FY 2007 Base		0	0	0	0				
plus: FY 2007 Program Changes		0	0	0	0				
Total FY 2007 Estimate		0	0	0	0				

		2005 Actual		2006 Currently Available		2007 Base		2007 Estimate		Increase/ (Decrease)	
		Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount
Comparison by activity/subactivity											
Worsted Wool	Pos./BA.	0	5,332	0	0	0	0	0	0	0	0
	FTE/Obl.	0	0	0	5,332	0	0	0	0	0	0
Totals	Pos./BA.	0	5,332	0	0	0	0	0	0	0	0
	FTE/Obl.	0	0	0	5,332	0	0	0	0	0	0
Adjustments for:											
	Recoveries		0		0		0		0		0
	Unobligated balance, start of year		0		(5,332)		0		0		0
	Unobligated balance, start of year adjustment		0		0		0		0		0
	Unobligated balance, transferred		0		0		0		0		0
	Unobligated balance, end of year		5,332		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		0		0		0		0		0
Net Appropriation			5,332		0		0		0		0

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Exhibit 7

SUMMARY OF FINANCING

(Dollar Amounts in Thousands)

	2005*		2006		2007		2007		Increase/ (Decrease)	
	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount
Total Obligations	2,237	415,248	2,242	432,716	2,242	439,782	2,242	441,782	0	2,000
Financing:										
Offsetting collections from:										
Federal funds	(26)	(6,040)	(25)	(18,000)	(25)	(20,000)	(25)	(20,000)	0	0
Trust funds		0		0		0		0	0	0
Non-Federal funds, fee collections		(7,893)		(13,000)		(13,000)		(13,000)	0	0
Recoveries		(13,633)		0		0		0	0	0
Unobligated balance, start of year		(11,627)		(7,886)		0		0	0	0
Unobligated balance, start of year cash on hand		0		0		0		0		0
Unobligated balance, carryover		(241)		0		0		0		0
Unobligated balance, expiring		378		0		0		0	0	0
Unobligated balance, end of year		7,886		0		0		0		0
Unobligated balance, start of year cash on hand		3,029		0		0		0		0
Rescission		5,256		0		0		0		0
Unobligated balance rescission		0		0		0		0	0	0
Unobligated balance remaining		0		0		0		0	0	0
Net Budget Authority	2,211	392,363	2,217	393,830	2,217	406,782	2,217	408,782	0	2,000
Financing:										
Transferred to other accounts	0	0	0	0	0	0	0	0	0	0
Transferred from other accounts	0	(4,106)	0	0	0	0	0	0	0	0
Appropriation	2,211	388,257	2,217	393,830	2,217	406,782	2,217	408,782	0	0

*Note: Does not include \$9.9M one-time funding for FY 2005 Travel and Tourism Board

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Exhibit 8

ADJUSTMENTS TO BASE
(Dollar Amounts in Thousands)

<u>Adjustments:</u>	<u>FTE</u>	<u>Amount</u>
<u>Other Changes:</u>		
2006 Pay Raise	0	1,727
2007 Pay Raise	0	2,914
Payment to the Working Capital Fund	0	216
Civil Service Retirement System (CSRS)	0	(428)
Federal Employees Retirement System (FERS)	0	1,227
Thrift Saving Plan (TSP)	0	122
Federal Insurance Contributions Act (FICA)- OASDI	0	517
Health Insurance	0	793
Employee's Compensation Fund	0	(108)
Travel:		
Mileage	0	23
Rental payments to GSA	0	221
Other Services:		
Working Capital Fund	0	1,581
Capital Security Cost Sharing Program (CSCSP)	0	10,952
Overseas wage increases FY 2007	0	670
Overseas price increases FY 2007	0	401
General Pricing Level Adjustment:		
Rental payments to others	0	148
Transportation of things	0	32
Communications, utilities, and miscellaneous changes	0	65

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Supplies and materials	0	59
Equipment	0	74
Other services	0	492
Printing and reproduction	0	12
NARA	0	(4)
Non-ICASS Local Guard Service	0	52
Currency Loss	0	1,535
Military Pouch Service	0	13
Foreign Service Modernization	0	2,000
Subtotal, Other Changes	0	25,306
Less Amount Absorbed	0	(12,354)
Total, adjustments-to-base	0	12,952

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Exhibit 9

JUSTIFICATION OF THE ADJUSTMENTS TO BASE

(Dollar Amounts in Thousands)

<u>Adjustments:</u>	<u>FTE</u>	<u>Amount</u>
<u>Changes:</u>		
<u>Pay Raises</u>	0	4,857
Full-year cost of 2006 pay increase and related costs:		
The 2006 President's budget assumes a pay raise of 2.3% effective January, 2006		
Total cost in 2007 of 2006 pay raise		3,844
Less amount requested in 2006		(2,117)
2007 for FY 2006 pay increase		<u>1,727</u>
A general pay raise of 2.2% is assumed to be effective January 1, 2007		
Total cost of 2007 of pay increase		2,914
Payment to Working Capital Fund		216
2007 Pay Raise		<u>3,130</u>
Total, adjustment for 2006 and 2007 pay raises		4,857

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Adjustments:

Civil Service Retirement System (CSRS)

The number of employees covered by the Civil Service Retirement System (CSRS) continues to drop as positions become vacant and are filled by employees who are covered by the Federal Employees Retirement System (FERS). The estimated percentage of payroll for employees covered by CSRS will drop from 22.8% in 2006 to 18.5% in 2007 for regular employees and foreign service employees will be 23.9% to 20.4%. Contribution rates will be 7.00% for regular employees and 7.25% for foreign service employees.

Regular:

2007 \$116,575,250 X .185 X .0700 1,509

2006 \$116,575,250 X .228 X .0700 1,860

Subtotal (351)

Foreign Service:

2007 \$30,500,750 X .204 X .0725 451

2006 \$ 30,500,700 X .239 X .0725 528

Subtotal (77)

Total Adjustment-to-Base (428)

FTE Amount

0 (428)

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Adjustments:

Federal Employees Retirement System (FERS)

<u>FTE</u>	<u>Amount</u>
0	1,227

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 77.2% in 2006 to 81.5% in 2007 for regular and from 76.1% to 79.6% for foreign service employees. The contribution rate will be 11.2% in 2007 for regular employees. For Foreign service employees, the contribution rate will be 20.22% in 2007.

Regular:

2007 \$116,575,250 X .815 X .112	10,641
2006 \$116,575,250 X .772 X .107	9,630
Subtotal	1,011

Foreign Service:

2007 \$30,500,750 X .796 X .2022	4,909
2006 \$30,500,750 X .761 X .2022	4,693
Subtotal	216

Total Adjustment-to-Base	1,227
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Adjustments:

Thrift Savings Plan (TSP)

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

Regular:

2007	\$116,575,250 X .815 X .02	1,900	
2006	\$116,575,250 X .772 X .02	1,800	
		100	
Subtotal			

Foreign Service:

2007	\$30,500,750 X .796 X .02	486	
2006	\$30,500,750 X .761 X .02	464	
		22	
Subtotal			

Total Adjustment-to-Base **122**

<u>FTE</u>	<u>Amount</u>
0	122

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Adjustments:

FTE Amount

Federal Insurance Contribution Act (FICA)

0 517

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 \$92,175 in 2006 to \$96,150 in 2007. The contribution rate will remain 6.2% in 2007.

Regular:

2007	\$116,575,250 X .815 X .9880 X.062	5,819
2006	\$116,575,250 X .772 X .9700 X.062	5,412
Subtotal		407

Foreign Service:

2007	\$30,500,750 X .796 X .9140 X.062	1,375
2006	\$30,500,750 X .761 X .8800 X.062	1,266
Subtotal		109

Other than Permanent; Regular Salaries

2007	\$442,000 X .988 X .062	27
2006	\$442,000 X .970 X .062	26
		1

Total Adjustment-to-Base	517
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<u>Adjustments:</u>	<u>FTE</u>	<u>Amount</u>
<u>Health Insurance</u>	0	793
<p>ITA's contribution to Federal employees' health benefits increased by an average rate of 8.0%. Applied against the 2006 estimate of \$9,914,000, the request increased by \$793,120.</p>		
<u>Employees Compensation Fund</u>	0	(108)
<p>The Employee's Compensation Fund bill for the year ending June 30, 2005 is estimated to be \$108,000 lower than the bill for June 30, 2004. The lower charges will be reimbursed to the Department of Labor pursuant to 5 U.S.C. 8147.</p>		
<u>Travel (Mileage)</u>	0	23
<p>A rate increase of 8.0% is applied to the base of \$290,000 to produce an adjustment of \$23,200.</p>		
<u>Rental Payments to GSA</u>	0	221
<p>A \$221,025 increase reflects an anticipated rate increase of 1.5% over the FY 2006 cost for rent from the General Services Administration. This percentage was applied to the base estimate of \$14,735,000.</p>		

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<u>Adjustments:</u>	<u>FTE</u>	<u>Amount</u>
<u>Working Capital Fund</u>	0	1,581
<p>An increase of \$1,581,000 is required to fund cost increases in the Department's Working Capital Fund to maintain the current level of operations.</p>		
<u>Capital Security Cost Sharing (CSCS) Program</u>	0	10,952
<p>ITA has 174 offices in 90 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 for a total 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 CS share for 2007 will be approximately \$24.6 million. The 2007 share is \$10.952M higher than the 2006 share. This funding rate will increase progressively through FY 2009 when the amount necessary is \$41.0M. It will then continue at the FY 2009 rate through FY 2018. Without the requested funds, ITA would have to significantly reduce its overseas presence.</p>		
<u>Overseas Wage Increases FY 2007</u>	0	670
<p>The Foreign Service National (FSN) Salary increase is for wage adjustments overseas based on calculations using a 2.2% increase applied to total FSN salaries and other overseas salary costs. The result of the calculation is an Adjustment-to-Base for Overseas Wage Increases of \$670,186.</p>		
<u>Overseas Price Increase FY 2007</u>	0	401
<p>The overseas price increases is based on anticipated overseas price increases in FY 2007 in countries in which ITA conducts operations. The percentage used is 1.8% multiplied by \$22,263,000 (the total FY 2006 other objects overseas spending). The resulting Adjustment-to-Base is \$400,734.</p>		

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<u>Adjustments:</u>	<u>FTE</u>	<u>Amount</u>														
<u>General Pricing Level Adjustment</u>	0	870														
This request applies OMB economic assumptions for 2007 to sub-object classes where the prices that the Government pays are established through the market system. Factors are applied to: rental payment to other; 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). The general pricing adjustment is 1.8%. The total 2007 ATB requested is \$869,548.	<table border="0"> <tr><td>Rental Payment to Others</td><td style="text-align: right;">148</td></tr> <tr><td>Transportation of Things</td><td style="text-align: right;">32</td></tr> <tr><td>Communications Utilities and Miscellaneous Charges</td><td style="text-align: right;">65</td></tr> <tr><td>Supplies and Materials</td><td style="text-align: right;">59</td></tr> <tr><td>Equipment</td><td style="text-align: right;">74</td></tr> <tr><td>Other Services</td><td style="text-align: right;">492</td></tr> <tr style="border-top: 1px solid black;"><td>Total</td><td style="text-align: right;">870</td></tr> </table>	Rental Payment to Others	148	Transportation of Things	32	Communications Utilities and Miscellaneous Charges	65	Supplies and Materials	59	Equipment	74	Other Services	492	Total	870	
Rental Payment to Others	148															
Transportation of Things	32															
Communications Utilities and Miscellaneous Charges	65															
Supplies and Materials	59															
Equipment	74															
Other Services	492															
Total	870															
 <u>General Printing Office (GPO) Printing</u>	 0	 12														
GPO has provided an estimated rate increase of 1.8%. This percentage was applied to the 2006 printing estimate of \$1,129,000 to arrive at an increase of \$12,330.																
 <u>National Archives and Records Administration (NARA) Storage Costs</u>	 0	 (4)														
A decrease of \$4,000 is requested to reduce ITA's costs for the NARA storage costs for a projected 2007 cost of \$16,154.																
 <u>Non-ICASS Local Guard Service</u>	 0	 52														
A rate of increase of 1.8% was applied to the 2006 President's budget estimate of \$2,887,777 for a 2007 projected cost of \$2,939,757. The computed ATB is \$51,980.																
 <u>Currency Exchange Loss</u>	 0	 1,535														
As the U.S. dollar loses value when converted to foreign currency, operating costs increase. As a result of these exchange rate losses, the cost of base operations has increased. An ATB of \$1,535,000 is required in order to maintain the level of current operations.																

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<u>Adjustments:</u>	<u>FTE</u>	<u>Amount</u>
<u>Military Pouch</u> A rate of increase of 1.8% was applied to the 2006 projected cost of \$710,666 for a 2007 projected cost of \$723,458. The computed ATB is \$12,792 needed for security and anthrax-related devices during pouch mail delivery.	0	13
 <u>Foreign Service Modernization</u> The requested funding supports the first step of transition to a performance-based pay system and global rate of pay for Foreign Commercial Service personnel grade FS-01 and below. The forthcoming Foreign Service Modernization legislative proposal linked to this funding would amend Section 406 of the Foreign Service Act (22 USC 3966) to eliminate longevity-based pay increases and institute a strictly pay-for-performance system similar to that instituted for the Senior Foreign Service in P.L. 108-447. The proposal would also establish a global rate of pay for the Foreign Commercial Service to attract and retain a labor market for worldwide-available personnel, based on the needs of the Service, consistent with other pay systems with similar worldwide availability requirements. This global rate also addresses the increasing pay disincentive to overseas service, due to the frequent rotation of assignments, influenced by 5 USC 5304. The Modernization proposal would equalize the Foreign Commercial Service global rate at the Washington, D.C. rate, including locality pay, over two years. The requested funding supports the first step of this transition. Additional funding will be required in FY 2008 and FY 2009 to fully close the gap, in order to begin a new pay-for-performance system effective April 2008, under a uniform global rate pay system.	0	2,000
Subtotal, other changes	<hr style="border-top: 1px solid black;"/> 0	<hr style="border-top: 1px solid black;"/> 25,306
Less: Adjustment-to-Base absorbed	0	(12,354)
Total, adjustments-to-base	<hr style="border-top: 1px solid black;"/> 0	<hr style="border-top: 1px solid black;"/> 12,952 <hr style="border-top: 1px solid black;"/>

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Exhibit 10

PROGRAM AND PERFORMANCE: DIRECT OBLIGATIONS
(Dollar Amount in Thousands)

Activity: International Trade Administration
Subactivity: Manufacturing and Services

		2005		2006		2007		2007		Increase/ (Decrease)	
		Actual		Currently Available		Base		Estimate			
		Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount
<u>Performance Goal</u>											
Enhance U.S. Competitiveness in the Global Marketplace	Pos./Gross BA	269	47,861	242	46,828	242	46,828	242	47,328	0	500
	Pos./Net BA	269	47,861	242	46,828	242	46,828	242	47,328	0	500
	FTE/OBL.	244	49,037	237	47,072	237	46,828	237	47,328	0	500
Direct Obligations											
	Pos./Gross BA	269	47,861	242	46,828	242	46,828	242	47,328	0	500
	Pos./Net BA	269	47,861	242	46,828	242	46,828	242	47,328	0	500
	FTE/OBL.	244	49,037	237	47,072	237	46,828	237	47,328	0	500

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Exhibit 13

Manufacturing and Services
INCREASE FOR FY 2007
The Asia-Pacific Partnership for Clean Development and Climate
(Dollar Amounts in Thousands)

ITA GOAL

		FY 2007 Base		FY 2007 Estimate		Increase	
		Personnel	Amount	Personnel	Amount	Personnel	Amount
Strengthen U.S. Industry	Pos./BA	0	0	[5]	\$500	[5]	\$500
	FTE/Obl.	0	0	[2]	\$500	[2]	\$500

The Asia-Pacific Partnership (APP) for Clean Development and Climate ([2 FTE] + \$500 thousand)

The APP is an international agreement announced on July 15, 2005 at an Association of South East Asia Nations (ASEAN)⁸ Regional Forum meeting. Member countries account for around 50% of the world's greenhouse gas emissions, energy consumption, GDP and population. The United States, Australia, China, Japan, India and South Korea agreed to cooperate on development and transfer of technology which enables reduction greenhouse gas emissions. Russia, Canada, Mexico, Brazil and several ASEAN members have expressed interest in joining the treaty in the future. This pact allows member countries to set their targets for reducing emissions individually. This enables each nation to achieve results and plan outcomes while considering individual country specific conditions and externalities. ITA plays a significant role in this initiative through the advancement of energy and environmental technologies. The U.S. continues to have a substantial commercial advantage in technologies that reduce energy consumption and limit greenhouse gas emissions.

The implementation of this initiative will be divided between MAS and Commercial Service. As part of this initiative, MAS's industry specialists will work with eight APP task forces to identify and remove barriers to the spread of cleaner more efficient technologies. MAS expects to be the USG lead on the mining sector task force and to provide substantial support to the steel, green materials, power generation, and renewable energy task forces. In addition, MAS's industry specialists and senior staff will help develop and will participate in trade missions and U.S. industry outreach events in conjunction with the U.S. and Foreign Commercial Service, another part of ITA. MAS will also contribute to market analysis, and ensure strong policy components. MAS will also play a role in addressing intellectual property rights issues, and will provide related policy support.

Note: Positions and FTE ceiling increase not being requested.

⁸ The founding member countries of ASEAN were Indonesia, Malaysia, the Phillipines, Singapore and Thailand. States that joined later include Brunei, Vietnam, Laos, Myanmar and Cambodia. Papua New Guinea currently holds observer status in ASEAN.

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Exhibit 14

Manufacturing and Services
Operations and Administration
Program Change Personnel Detail

Activity: International Trade Administration
Subactivity: Manufacturing and Services
Program Change: The Asia Pacific Partnership for Clean Development and Climate

Title:	Grade	Number	Annual Salary	Total Salaries
International Trade Specialist	GS-13	[3]	\$77,353	\$232,059
International Trade Specialist	GS-15	[1]	\$107,521	\$107,521
International Trade Specialist	GS-15	[1]	\$107,521	\$107,521
Subtotal		[5]		\$447,101
Less: Effects of Part Time				(\$302,101)
Total				\$145,000

Personnel Data

Full-Time Equivalent Employment

Full-Time permanent	[2]
Other than full-time permanent	0
Subtotal	[2]

Authorized Positions:

Full-Time permanent	0
Other than full-time permanent	[5]
Subtotal	[5]

Note: Positions and FTE ceiling increase not being requested.

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Exhibit 15

Manufacturing And Services
Operations And Administration
Program Change Detail By Object Class
(Dollar Amount In Thousands)

Object Class	2007 Base	2007 Estimate
11 Personnel compensation		
11 Full-time permanent	0	0
11 Other than full-time permanent	0	145
12 Other personnel compensation	0	0
12 Special personnel services payments	0	0
12 Total personnel compensation	0	145
12 Civilian personnel benefits	0	68
13 Benefits for former personnel	0	0
21 Travel and transportation of persons	0	287
22 Transportation of things	0	0
23 Rental payments to GSA	0	0
23 Commun., util., misc. charges	0	0
23 Rental payments to others	0	0
24 Printing and reproduction	0	0
25 Consulting services	0	0
25 Other services	0	0
25 Purchase of goods and services from Gov't accounts	0	0
26 Supplies and materials	0	0
31 Equipment	0	0
32 Lands and structures	0	0
33 Investments and loans	0	0
41 Grants, subsidies and contributions	0	0
42 Insurance claims and indemnities	0	0
43 Interest and dividends	0	0
81 Advances	0	0
44 Refunds	0	0
99 Total Direct Obligations	0	500

Note: Positions and FTE ceiling increase not being requested.

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JUSTIFICATION OF PROGRAM AND PERFORMANCE
MANUFACTURING AND SERVICES

Enhancing American Industry's Competitiveness

Department of Commerce Goal 1

Provide the information and tools to maximize U.S. competitiveness and enable economic growth for U.S. industry, workers and other stakeholders.

MAS Mission and Goals for FY 2007

Manufacturing and Services' (MAS) mission is to strengthen the global competitiveness of U.S. industry, expand its foreign market access, and increase U.S. exports. MAS supports the ITA-wide strategic goal entitled "Enhance U.S. Competitiveness in the Global Marketplace."

MAS pursues its mission and goals by combining its robust analytical capabilities and its in-depth industry knowledge to provide assessments and recommendations to improve U.S. business competitiveness. Specifically, MAS:

- Supports the Manufacturing Council, the President's Export Council, the Industry Trade Advisory Committees, Environmental Technologies Trade Advisory Committee, and the Interagency Working Group on Manufacturing.
- Compiles and disseminates data on U.S. and world trade, economic performance, and industry competitiveness.
- Supports ITA's trade promotion program by identifying U.S. industry-specific priority export markets.
- Implements the recommendations made in *Manufacturing in America, A Comprehensive Strategy to Address the Challenges to U.S. Manufacturers*.

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' analysis to develop policy recommendations to promote U.S. competitiveness. U.S. manufacturers have outlined significant factors that are eroding competitiveness, contributing to higher production costs, retarding innovation, and impeding trade. These concerns form the foundation for generating policy recommendations to help ensure the U.S. government is creating conditions where U.S. manufacturers and service providers prosper and that maximize competitiveness. As a result, MAS works with a wide variety of government agencies and other entities to advance the recommendations made in *Manufacturing in America, A Comprehensive Strategy to Address the Challenges to U.S. Manufacturers* (available at www.manufacturing.gov.) Further, MAS works with trade associations to sponsor conferences and roundtables on issues affecting services providers. These conferences provide U.S. services exporters access to senior U.S. government policy makers and offer firms the opportunity to explain significant factors that affect competitiveness, innovation, and impediments to trade in



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services. The concerns of service providers are an important building block for generating policy recommendations as the U.S. moves forward with an aggressive, market opening, trade agreement agenda.

MAS 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. MAS analyzes regulations such as health and safety or environmental regulations and other proposed policies to determine their impact on cost competitiveness of U.S. firms and works with other U.S. agencies to reduce the impact of proposed and existing policies and regulations on U.S. industries. MAS serves as a 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 and evolving business models. In addition, MAS collects original data, which are used by the Department of Commerce to report on U.S. imports and exports of international travel and the travel and tourism industry for planning.

With the launch of multiple new free trade agreement negotiations and renewed activity in the WTO Doha Round negotiations, MAS' expertise in trade analysis and its database tools enables the Department of Commerce to provide useful input during negotiations. Through analysis, coordination with country desk officers, and consultation with private sector representatives, MAS develops industry-specific recommendations for trade policy. MAS develops negotiating priorities and recommends strategies to overcome non-tariff barriers, open markets, promote mutual recognition, and deal with other sensitive issues that affect trade in manufactured goods and services. Further, MAS manages the Industry Trade Advisory Committees (ITACs) program, which serves as a communications channel for U.S. companies to express their views to U.S. negotiators on trade negotiations and other policy issues.

MAS' knowledge of, and relationship with, U.S. industry enables it to assist in multilateral and bilateral negotiations on trade in goods and services. MAS emphasizes the importance of addressing the impact of divergent standards, redundant testing and compliance procedures on U.S. competitiveness, and unilateral and non-transparent standard setting exercises, which combine to increase manufacturers' costs and decrease their competitiveness. These standards issues are now recognized as major impediments to free trade – estimated to affect 80 percent of global merchandise trade.

MAS is spearheading the Department's standards efforts. In response to industry concerns, MAS continues to focus its efforts on:

- Developing a Commerce standards activity assessment
- Reinforcing expertise in key markets
- Devising an effective training and outreach program
- Creating a "best practices" database
- Expanding the early warning system
- Partnering with the President's Export Council on standards leadership
- Reaching out to U.S. industry

MAS has been particularly active in pursuing standards activities in China, including successfully assisting six U.S.-based standards developing organizations open offices in China. From these new offices, these industry organizations are promoting acceptance of their standards by forming relationships with peer agencies, monitoring standards development, translating standards, hosting educational seminars, and performing technical certification programs.

Other U.S. government agencies, such as the Food and Drug Administration (FDA) and the Environmental Protection Agency (EPA) leverage MAS as a resource for setting trade policy priorities affecting U.S. industry. The MAS program takes a leading role in providing a forum for industry and government to come

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together in the international arena to discuss expanding exports and investment. For example, in energy services, MAS has taken a lead role with the United States Trade Representative in establishing a separate classification in the World Trade Organization's (WTO) General Agreement on Trade In Services (GATS). This new classification allows U.S. energy services providers greater coverage and, if adopted, could ultimately open up markets for trade in both energy and energy services. Similar classification efforts are under way in express delivery services, with significant potential gains for logistics and supply chain operations. MAS represents ITA and the Department in interagency work on transportation and border security and in the expanded maritime security policy efforts directed by the National Security Council – Homeland Security Council (NSC-HSC). In terms of e-commerce, MAS promotes growth through bilateral discussions and agreements with foreign governments, including Free Trade Agreements and Joint Statements on Electronic Commerce in developing countries.

MAS manages a state-of-the-art information delivery system for trade information. 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 supported the development of economic profiles of the U.S. exporting community, detailed statistics on U.S. exports at the state 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. This allows industry clients to obtain reports and publications.

MAS also has accelerated the process of “unlocking” Department of Commerce data now residing on in-house systems by expanding the use of the internet for delivering applications like the Trade-Stats Express (www.ese.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. For example, there were over 200,000 unique data downloads from Trade-Stats express in the first 6 months of 2005. Providing this level of information through staff would have required an additional expense of \$1.8 to \$2.0 million.

Manufacturing and Services will support the Asia-Pacific Partnership on Clean Development and Climate (APP), a joint effort by the United States and five Asian-Pacific nations to promote the development and deployment of cleaner and more efficient energy technologies in order to curtail the growth of greenhouse gas (GHG) emissions worldwide. As part of the initiative, MAS's industry specialists will work with eight APP task forces to identify and remove barriers to the spread of cleaner more efficient technologies. MAS expects to provide substantial support to the mining, steel, green materials, power generation, and renewable energy task forces. In addition, MAS's industry specialists and senior staff will help develop and will participate in trade missions and U.S. industry outreach events in conjunction with the U.S. and Foreign Commercial Service, another part of ITA. MAS will also contribute to market analysis, and ensure strong policy components. MAS will also play a role in addressing intellectual property rights issues, and will provide related policy support.

MAS manages the Market Development Cooperator Program (MDCP). The MDCP is a competitive matching grant program that provides federal assistance to export multipliers, such as states, trade associations, chambers of commerce, world trade centers, and other industry groups that are particularly effective in reaching and assisting SMEs. MDCP awards help to underwrite the start-up costs of new export marketing ventures, which these groups are often reluctant to undertake without federal government support. Since FY 1997, MDCP award winners have generated on average over \$227 million in exports annually. During its thirteen-year history, the MDCP has facilitated over \$3 billion of U.S. exports. When funded projects are completed, the private sector will have invested over \$73 million to develop foreign markets as a result of the U.S. government's \$27 million expenditure.

MAS also manages the Department's involvement in the Committee on Foreign Investment in the United States (CFIUS) along with the Export Trading Company Act (ETCA).

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Summary of Workload and Performance Data

	FY 2002 Actual	FY 2003 Actual	FY 2004 Actual	FY 2005 Actual	FY 2006 Estimate	FY 2007 Estimate	FY 2008 Estimate
Performance Goal: Enhance U.S. Competitiveness in the Global Market Place							
Number of in-depth U.S. industry analyses completed to quantify the effects of policy proposals against structural cost benchmarks*	N/A	N/A	N/A	New	New	New	New
Percent of total competitiveness impediments identified by industry and other stakeholders where ITA takes appropriate action*	N/A	N/A	N/A	New	New	New	New
Number of analyses and reports developed to improve U.S. trade compliance and market access activities/developments, for example; Miscellaneous Tariff Bill, retaliations, and GSP assessments*	N/A	N/A	N/A	New	New	New	New
Percent of milestones completed in sector specific bilateral and multilateral dialogues and negotiations for trade agreements*	N/A	N/A	N/A	New	New	New	New
Customer perception of ease of access to export and trade information and data	N/A	74	74	74	74 to 76	74 to 76	74 to 76

* Proposed measures that are subject to change

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Exhibit 10

PROGRAM AND PERFORMANCE: DIRECT OBLIGATIONS
(Dollar Amount in Thousands)

Activity: International Trade Administration

Subactivity: Market Access and Compliance

		2005		2006		2007		2007		Increase/ (Decrease)		
		Actual		Currently Available		Base		Estimate				
		Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	
<u>Performance Goal</u>												
Identify and Resolve Unfair Trade Practices		Pos./Gross BA	248	42,048	214	39,306	214	39,306	214	39,306	0	0
		Pos./Net BA	248	42,048	214	39,306	214	39,306	214	39,306	0	0
		FTE/OBL.	204	44,388	209	43,192	209	39,306	209	39,306	0	0
<hr/>												
Direct Obligations		Pos./Gross BA	248	42,048	214	39,306	214	39,306	214	39,306	0	0
		Pos./Net BA	248	42,048	214	39,306	214	39,306	214	39,306	0	0
		FTE/OBL.	204	44,388	209	43,192	209	39,306	209	39,306	0	0

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**JUSTIFICATION OF PROGRAM AND PERFORMANCE
MARKET ACCESS AND COMPLIANCE**

Increasing Access to Foreign Markets for U.S. Industry

Department of Commerce Goal 1

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

Mission and Goals for FY 2007

Market Access and Compliance (MAC) is charged with obtaining greater access to foreign markets for U.S. companies by combating barriers to U.S. exports overseas and ensuring foreign compliance with trade agreements. MAC activities support the ITA-wide strategic goal titled "Identify & Resolve Unfair Trade Practices."

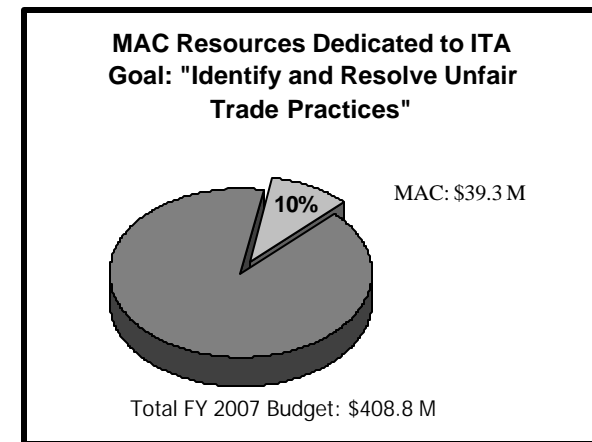
MAC's strategic goals and objectives are to:

- Identify, analyze and prioritize market barriers to U.S. exports;
- Develop and implement strategies for combating market access barriers;
- Monitor compliance with all U.S. non-agricultural trade agreements to ensure that foreign governments implement and comply fully with their obligations;
- Work with the U.S. Trade Representative (USTR) and other agencies to negotiate trade agreements, and coordinate strategies to overcome trade barriers;
- Increase the number of compliance investigations initiated; and
- Increase the number of compliance investigations resolved.

Base Program

The Secretary and Congress have both stressed the importance of ensuring compliance by foreign nations with trade agreements so that U.S. business receives the full benefit of negotiated trade agreements. MAC monitors, investigates, and evaluates foreign compliance of more than 250 trade agreements signed by the United States. As President Bush stated in his address to the Detroit Economic Club on February 8, 2005 "We will vigorously enforce trade laws...with a level playing field, our businesses, our entrepreneurs, and our workers can compete with anybody, anytime in the world." MAC is an integral part of the U.S. Government's interagency cooperative effort to develop and implement market access strategies and to remove foreign trade barriers.

MAC is organized into four regional units; 1) Africa, the Middle East and South Asia; 2) Asia; 3) Europe; and 4) the Western Hemisphere; and the Trade Agreements and Compliance (TAC) unit. MAC country experts in the regional units collaborate closely with issue experts (standards, customs, intellectual



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property rights, etc.) in the TAC on identifying and resolving 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 designed to keep U.S. exports out of foreign markets. Using a variety of tools and techniques from direct bilateral discussion to formal, regional consultative mechanisms, MAC coordinates U.S. government efforts to implement market access strategies. MAC's regional units also participate in international trade conferences, events, and missions to assess trade barriers, combat threats to impede free trade, and develop trade opportunities for U.S. exports.

MAC's Trade Compliance Center (TCC), with the TAC unit, works in close collaboration with country and regional experts 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 the TCC staff puts together a team of industry, country and issue experts to resolve compliance problems without having to resort to lengthy, formal dispute settlement procedures. TCC staff work cooperatively with the industry experts in the Manufacturing and Services (MAS) program if the issue does or potentially could affect an entire industry, and also with appropriate Import Administration (IA) IA offices when illegal subsidies by foreign governments and/or dumping by foreign companies is suspected. When compliance cannot be attained in this manner, the TCC works with the United States Trade Representative (USTR) Trade Enforcement Center to develop effective cases for formal dispute settlement through the World Trade Organization (WTO), North American 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 to work on-the-ground in resolving the most difficult trade compliance and market access problems for U.S. firms. These specialists, one in Brussels (EU), two in China, and one in Japan, 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 MAC's Trade Compliance Center and intervention in the field when necessary, protecting U.S. business interests abroad.

Intellectual Property Rights

To investigate allegations of trade agreement violations and market-distorting practices related to Intellectual Property Rights (IPR), MAC has established a new Intellectual Property Rights office. Through rigorous investigation of trade compliance cases, the unit will level the playing field for U.S. exporters by aggressively pursuing enforcement actions on IPR issues that significantly impact trade access for U.S. firms and artists. Additionally, the unit will improve coordination efforts with other U.S. government agencies to aid in the identification of illegal trade practices internationally. The increased focus on compliance will enhance MAC's efforts to curb piracy and actions that violate U.S. trade agreements or distort markets to the disadvantage of American companies.

MAC is a key contributor to the Strategy Targeting Organized Piracy (STOP available at www.stopfakes.gov) initiative, and works to overcome global piracy issues and lack of effective enforcement of intellectual property rights (IPR) in other countries. Piracy causes widespread economic damage in both the United States and abroad and has resulted in an estimated \$13.4 billion⁹ in losses for U.S. firms in records and music, motion pictures, and other media - a trend that shows no sign of slowing down around the world. Foreign sales and exports by copyright industries continue to be a driving force in long-term economic growth. It is estimated that income generated by U.S. recording artist, motion picture, and other copyright industries accounts for over \$626 billion in GDP

⁹International Intellectual Property Alliance 2005 Special 301 report

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annually, and U.S. employment of 5.5 million workers (4 percent of total U.S. workforce)¹⁰. China is of particular concern as there continues to be serious shortcomings in basic IPR protection even after more than two years since their WTO accession.

MAC works closely with U.S. industry, trade associations, and foreign officials to halt the scourge of piracy and ensure that intellectual property rights are respected and enforced by other governments. For many countries this process starts with negotiating strong IPR rules in bilateral free trade agreements. MAC also utilizes existing international accords and ongoing multilateral negotiations on copyright protection to hold signatory countries to their obligations in ensuring enforcement of IPR laws. Furthermore, MAC's new IPR office, staffed with five positions, will identify violations abroad and present specific evidence of abuse, forcing action by foreign governments to enforce their laws.

Trade Negotiation Support

MAC supports the USTR's trade negotiations by providing significant analysis, expertise, and staff support needed to achieve negotiation objectives. The country and regional experts in MAC provide technical knowledge and detailed 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 has increasingly been called upon to provide substantial support to USTR-led trade negotiations in recent years. MAC played a key role in major U.S. trade negotiations, including bilateral Free Trade Agreements with Chile, Singapore, Morocco, Bahrain, U.S.- Central America Free Trade Agreement (including the Dominican Republic), the South African Customs Union, and Australia. MAC continues to support ongoing Free Trade Area negotiations with Bahrain, Thailand, and the Andean countries. MAC specialists are also heavily involved in multi-lateral negotiations for the Free Trade Agreement of the Americas as well as the Doha Round of the World Trade Organization. MAC's support of and participation in trade negotiations has grown dramatically and will remain at a high level through FY 2007.

Outreach to SME's

MAC is oriented to help small and medium-sized enterprises (SMEs) that lack the resources to determine their rights under U.S. trade agreements. 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. Over the past few years, MAC has implemented an aggressive outreach program to U.S. businesses and industry associations across the country. In FY 2004, senior MAC representatives visited more than 12 cities in 10 states, including important business centers in Alabama, Ohio, Texas, New Mexico, Pennsylvania, and Michigan. These visits were designed to alert businesses to the assistance MAC can provide in overcoming trade barriers, as well as how ITA can assist companies enter new markets. MAC participates in manufacturing roundtables during these missions, as well as giving speeches and information sessions on exporting and compliance. This initiative also provides MAC's specialists with insight into the local business community and new trade barriers that may be plaguing U.S. firms.

Companies are encouraged to use MAC as the U.S. government assistance source when they need to combat unfair barriers to trade. MAC's TCC maintains a trade agreements database on the Internet (www.tcc.mac.doc.gov) that explains U.S. trade agreements and enables companies to compare the market access they are receiving with what they should be receiving. Thus, they are in a better position to identify probable violations or failure to implement agreements. U.S. businesses can then register complaints regarding market access barriers at this site, thereby initiating an investigation by MAC's specialists.

¹⁰ International Intellectual Property Alliance 2005 Special 301 report

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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 for U.S. firms. For example, MAC runs the Iraq (www.export.gov/iraq) and Afghanistan (www.export.gov/afghanistan) Task Force, which is staffed by an interdisciplinary team of trade specialists from across ITA. The mission of this unit 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.

In addition to supporting U.S. bilateral and multilateral trade negotiators, MAC works in additional areas to support other Presidential trade policy objectives. MAC works with Commerce officials and other U.S. Government agencies to encourage foreign policy and assistance programs to include a role for expanding U.S. business in economic development programs.

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 and the other Newly Independent States, Central America, and Eastern Europe. In addition, MAC has operated important new programs under the Middle East Partnership Initiative (MEPI available at mepi.state.gov/mepi/) and the African Growth and Opportunities Act (AGOA available at www.agoa.gov) 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 these areas of the world, which contributes both to U.S. economic goals and global stability.

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Summary of Workload and Performance Data

	FY 2003 Actual	FY 2004 Actual	FY 2005 Actual	FY 2006 Estimate	FY 2007 Estimate	FY 2008 Estimate
Performance Goal: Identify and Resolve Unfair Trade Practices						
Number of market access and compliance cases initiated	144	161	160	150 to 160	150 to 160	150 to 160
Number of market access and compliance cases concluded	158	116	85	80 to 90	80 to 90	80 to 90
Percentage of MAC cases initiated on behalf of small and medium sized businesses	N/A	N/A	N/A	New	Subject to FY 2006 Baseline	Subject to FY 2006 Baseline
Percentage of MAC cases resolved successfully (reduction or elimination of the market barrier)	N/A	N/A	N/A	New	Subject to FY 2006 Baseline	Subject to FY 2006 Baseline

FY 2007 PART Review of Market Access and Compliance

In FY2005, OMB conducted a PART of the MAC program. The purpose of the 2005 PART review on MAC was to assess its program purpose and design, strategic planning, program management, program results and focused on the program's efforts in setting new long-term performance measures. This PART highlighted MAC's continued success in helping U.S. firms overcome trade agreement compliance problems and other trade barriers in foreign markets. It also identified MAC's ability to continually meet its performance measures for number of market access and compliance cases initiated and number of market access cases concluded. MAC received a PART score of 58, placing it in the adequate category.

* For more information on performance see the Annual Performance Plan (APP).

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Exhibit 10

PROGRAM AND PERFORMANCE: DIRECT OBLIGATIONS
(Dollar Amount in Thousands)

Activity: International Trade Administration

Subactivity: Import Administration

		2005		2006		2007		2007		Increase/ (Decrease)	
		Actual		Currently Available		Base		Estimate			
		Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount
<u>Performance Goal</u>											
Identify and Resolve Unfair Trade Practices		Pos./Gross BA	408 63,708	384 61,367	384 61,367	384 61,367	384 61,367	384 61,367	384 61,367	0	0
		Pos./Net BA	408 61,708	384 59,367	384 59,367	384 59,367	384 59,367	384 59,367	384 59,367	0	0
		FTE/OBL.	388 62,609	382 59,367	382 59,367	382 59,367	382 59,367	382 59,367	382 59,367	0	0
<hr/>											
Direct Obligations		Pos./Gross BA	408 63,708	384 61,367	384 61,367	384 61,367	384 61,367	384 61,367	384 61,367	0	0
		Pos./Net BA	408 61,708	384 59,367	384 59,367	384 59,367	384 59,367	384 59,367	384 59,367	0	0
		FTE/OBL.	388 62,609	382 59,367	382 59,367	382 59,367	382 59,367	382 59,367	382 59,367	0	0

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JUSTIFICATION OF PROGRAM AND PERFORMANCE

IMPORT ADMINISTRATION

Safeguarding American Industries and Jobs Against Unfair Trade

Department of Commerce Goal 1

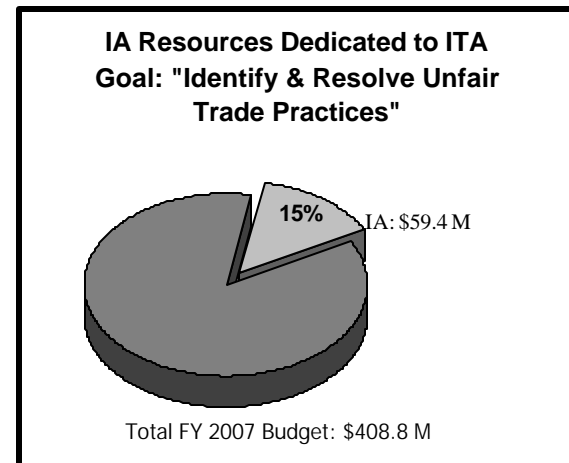
Provide the information and tools to maximize U.S. competitiveness and enable economic growth for American industries, workers and consumers.

Mission and Goals for FY 2007

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

IA achieves its mission and goals by:

- Conducting antidumping (AD) and countervailing duty (CVD) investigations, administrative reviews, new shipper reviews, sunset reviews and anti-circumvention inquiries within statutory time limits, determining AD and CVD duties to offset the unfair trade practice, as well as negotiating and enforcing suspension agreements, which address injurious dumping or subsidization;
- Negotiating strong, effective and transparent disciplines on unfair trade practices in multilateral fora, such as the World Trade Organization (WTO), the Organization for Economic Cooperation and Development (OECD), and in various free trade agreements;
- Defending the determinations of the agency in the WTO and North American Free Trade Agreement (NAFTA) dispute regarding anti-dumping and countervailing duty settlement proceedings and domestic courts;
- 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;
- Addressing persistent and fundamental structural problems affecting major industries, such as the steel industry, through a variety of initiatives (e.g., the steel working group of the Security and Prosperity Partnership of North America);
- Implementing proactive trade enforcement activities, including textile safeguard actions with respect to China's WTO Accession Agreement, bilateral quotas on non-WTO members, and textile provision of U.S. preferential programs and agreements;
- Administering textile commercial availability ("short-supply") provisions, wool fabric tariff rate quotas, and other provisions of U.S. preferential agreements; and



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- Managing and supporting the Foreign Trade Zones (FTZ) Program and the Statutory Import Programs Staff (SIPS) programs.

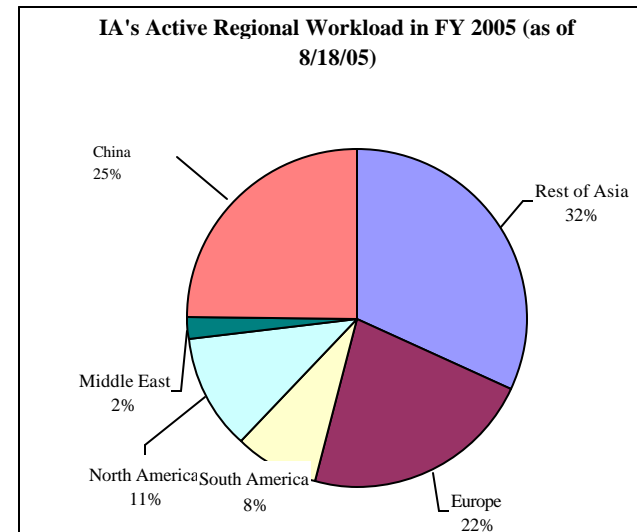
Antidumping and Countervailing Duty Program

IA is committed to the vigorous enforcement of U.S. trade laws. IA defends American industry against injurious trade practices by administering the antidumping (AD) and countervailing duty (CVD) laws of the United States efficiently, fairly, and in a manner consistent with U.S. international obligations. AD/CVD laws provide domestic industries the opportunity to obtain relief from unfairly traded foreign products that are sold in the U.S. at prices that reflect less than fair value or that benefit from foreign government subsidies.

AD/CVD Operations -- IA significantly restructured its operations as part of the 2004 reorganization. IA consolidated responsibility for all AD and CVD case operations under a single management official, the Deputy Assistant Secretary (DAS) for AD/CVD Operations. This consolidation has enhanced uniformity and consistency in the application of the laws across AD/CVD Enforcement Offices and countries and/or products under investigation. A specific unit dedicated to the enforcement of the AD law with respect to the People's Republic of China and other non-market economy (NME) countries has been created under the DAS for AD/CVD Operations. This dedicated China/NME Unit has enabled IA to consolidate and cultivate further the expertise necessary to address the unique trade problems associated with conducting unfair trade proceedings involving NME countries. The China/NME Unit specializes in enforcing U.S. trade laws against Chinese and other NME producers and exporters selling their merchandise in the United States at less than fair market value. Such enforcement ensures a level playing field for the U.S. manufacturers, including small and medium sized enterprises (SME's). The analysts and specialists assigned to this office are trained investigators and are supported by attorneys, accountants, economists, policy analysts and the U.S. Customs and Border Protection liaison team. They are assigned to specific Chinese producers and exporters and conduct antidumping investigations, administrative reviews, new shipper reviews, scope inquiries and anti-circumvention inquiries related to Chinese exports to the United States. Fifteen percent of the analysts have Chinese language skills. IA is further solidifying and enhancing the expertise necessary to address the unique problems encountered in trade from China and other NME countries, such as irregular financial reporting, fraudulent filings, opaque company relations, and close ties to local and provincial governments. IA's Trade Remedy Compliance staff in Beijing assists the DAS for AD/CVD Operations in coordinating the logistics of conducting these verifications. The China/NME Unit completed 43 cases in FY 2005. Some of these cases were extraordinarily complex and resource intensive; for example, the furniture investigation involved over \$1 billion in imports and required nine dedicated analysts.

Major program activities include:

- Analyzing petitions from domestic industries alleging unfair foreign trade practices;
- Conducting investigations of alleged foreign trade practices when warranted by petitions from domestic industries;
- Conducting administrative reviews of AD/CVD orders to determine the actual amount of AD and CVD liability;
- Conducting new shipper reviews to ensure that only legitimate new shippers are afforded lower AD and CVD rates, and scope and anti-circumvention inquiries;
- Conducting five-year sunset reviews;



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- Issuing instructions to U.S. Customs and Border Protection to impose duties at the border to provide relief to domestic industries when dumping or subsidization has been found and the domestic industry has been injured.

IA conducts an investigation under the AD/CVD laws when there is reason to believe imports are being unfairly subsidized or sold in the U.S. at less than fair market value. 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, to be answered by the relevant foreign governments and/or industry, which seek information about foreign government programs available to firms and the individual firm's prices and costs;
- Analysis of responses to the questionnaires and verification of such responses on-site in the foreign country at the relevant government and/or company offices;
- Calculation of subsidy or dumping margin 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 both U.S. and foreign industry.

When the results of a final determination are challenged in the U.S. Court of International Trade (CIT), U.S. Court of Appeals for the Federal Circuit (CAFC), North American Free Trade Agreement (NAFTA) and/or the World Trade Organization (WTO), IA's operational staff provide support to the Chief Counsel for IA, the Justice Department and/or 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.

AD/CVD Policy and Negotiations -- The Deputy Assistant Secretary for Policy and Negotiations in IA was created as part of the 2004 reorganization. This DAS oversees a variety of programs and policies, including the provision of cross-cutting and case-specific policy advice regarding the administration of the AD/CVD laws, negotiation and administration of all bilateral agreements related to AD/CVD cases, analysis and support on cost accounting and financial analysis matters in AD/CVD cases, negotiation of trade remedy disciplines in the ongoing WTO Rules negotiations, and involvement in broader policy issues regarding unfair trade matters.

The Office of Policy's traditional role has been to steer IA's application of policies and procedures in antidumping and countervailing duty proceedings in a consistent manner, bearing in mind the agency's and Administration's broader policy objectives and statutory and international obligations. The Office of Policy strives to achieve such consistency not only by contributing to and reviewing case determinations issued by IA, but also through in-depth analysis of major or emerging issues and development of new policies to address such issues. The Office of Policy is responsible for analyzing and informing case investigators and decision makers of the potential ramifications on U.S. AD/CVD proceedings posed by developments in the GATT and its successor, the WTO. In addition, Office of Policy staff work closely with other IA units to defend IA's actions when challenged before the WTO, and represents U.S.'s interests in international negotiations, such as the in the WTO or those being conducted to establish free trade agreements.

In addition to its role with respect to antidumping and countervailing duty casework and litigation, the Office of Policy also has responsibilities with respect to the following major areas:

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- **Unfair Trade Practices Task Force:** Import Administration's Unfair Trade Practices Task Force was established as one of the initiatives proposed in the Department of Commerce's Manufacturing Report. By pro-actively analyzing market trends and foreign government and business practices to identify potential unfair trade problems at the earliest stage possible, the Unfair Trade Practices Task Force brings together a variety of trade experts and economists with a broad range of experience in addressing unfair trade issues involving dumping, subsidies, and import surges.
- **Subsidies Enforcement:** The Subsidies Enforcement Office (SEO) spearheads the subsidies enforcement activities of the U.S. government made possible through rules and disciplines negotiated during the GATT/WTO Uruguay Round. The primary role of the SEO is to confront unfair foreign government subsidization by providing monitoring, analysis, counseling and advocacy services to U.S. parties harmed by such trade-distorting practices. The main activities of the SEO are mandated under law. Specifically, Section 281 of the Uruguay Round Agreements Act (URAA), as further clarified in the Statement of Administrative Action, stipulates the following SEO responsibilities: (1) coordinate U.S. countervailing duty (CVD) and multilateral subsidies enforcement efforts; (2) assist the private sector by monitoring foreign subsidies and identifying instances of subsidization which can be remedied under the Subsidies Agreement; and (3) submit an Annual Report to Congress (the 2005 report was the eleventh such annual report submitted to the 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.
- **WTO Rules Negotiations:** The Office of Policy has worked actively to advance U.S. interests in the WTO rules negotiations, focusing on trade remedy laws and increased subsidy disciplines. Our primary objective in these negotiations is to maintain and enhance the United States' 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. These efforts are greatly enhanced by a senior IA official permanently stationed in Geneva, Switzerland, who works directly with USTR and WTO staff on the ground to advance U.S. priorities in this area.
- **Trade Remedy Compliance:** The Trade Remedy Compliance Staff (TRCS) was established in 2001 as part of a Congressionally-mandated government-wide trade compliance and market access initiative. The TRCS tracks other countries' use of antidumping and countervailing duty laws, monitors and analyzes subsidy programs used by our major Asian trading partners, and provides a point of contact for U.S. companies that may believe they face potential unfair trade problems arising from such countries. These efforts are led both by a team of technical experts in Washington and three overseas-based Import Administration officers – currently stationed in Beijing, China and Seoul, Korea – who coordinate closely with other agencies of the government and the business community in an effort to pro-actively identify and resolve problems before they develop into unfair trade disputes. TRCS works with many U.S. companies experiencing difficulties with other countries' antidumping actions, including engaging the foreign governments when circumstances warrant and, if necessary, assisting USTR in addressing such problems at the WTO. In addition to its compliance and monitoring activities, a key facet of the TRCS 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. antidumping proceedings.
- **Bilateral Agreements:** As a part of IA's reorganization, responsibility for the negotiation and administration of antidumping and countervailing duty suspension and settlement agreements was placed in a new Bilateral Agreements Unit in the Office of Policy. Previously, responsibility for suspension agreements was spread throughout the many offices of IA Operations. By consolidating this work within a dedicated team, IA has improved its ability to ensure greater consistency across agreements, where appropriate, and to develop further the expertise of the team members responsible for supporting

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the negotiation and administration of these agreements. This has also enabled IA to deploy its resources more strategically by pairing this function with other negotiating and policy implementation activities being carried out by the Office of Policy. Since the reorganization, the bilateral agreements team has focused on the administration of several existing suspension agreements with Russia, Ukraine and Mexico, covering products ranging from steel to uranium to tomatoes, and has supported ongoing discussions with the Government of Mexico regarding bilateral trade in cement.

- **Pre-Petition Counseling:** The Office of Policy has also greatly expanded its outreach efforts to industries and workers harmed by unfair trade – particularly small and medium-sized firms that may be unfamiliar with the remedies available under the trade laws or which may be unable to afford legal assistance. In the past two years, the office has provided counseling to more than 300 firms, leading to an increase in cases initiated by the Department, including a number of cases filed *pro se* i.e. petitioners who filed cases on their own behalf. This activity was previously performed on an *ad hoc* basis by the various Operations offices but was transferred to the Office of Policy to centralize Import Administration's petition counseling activities and free up Operations resources for more AD/CVD case work. The Office of Policy also plays a crucial role in the evaluation of petitions for initiation, providing valuable support to the Operations offices and reducing a burden that was previously theirs alone.
- **Steel Import Monitoring and Analysis:** The Steel Import Monitoring and Analysis (SIMA) system was created as part of the President's Steel Initiative to address persistent and fundamental structural problems in the global steel industry, such as inefficient overcapacity and market-distorting government practices, that resulted in trade frictions and instability. The 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. The system was recently extended until March 2009 and expanded to cover imports of all basic steel mill products. By the end of 2005, we anticipate that more than 1,000,000 import licenses will have been issued by Import Administration's web-based system since its inception in March 2003.

Textiles and Apparel Program

IA also enforces agreements concerning textile and apparel products. The Deputy Assistant Secretary (DAS) for Textiles and Apparel has an array of responsibilities with respect to ensuring fair trade and a level playing field for the U.S. fiber, textile, and apparel industries. The DAS seeks and evaluates industry views on international trade issues affecting the textile and apparel industries; formulates textile policy positions on proposed trade agreements and legislative initiatives; and participates in the negotiation of multilateral and bilateral agreements. Furthermore, the DAS administers provisions of U.S. trade agreements and preference programs, such as commercial availability ("short supply") provisions, wool fabric tariff rate quotas, handloom/folklore, 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 textile related issues. The DAS works closely with other IA personnel responsible for China matters to ensure coordinated and well-supported positions on textile-related matters.

Foreign-Trade Zones Program

IA also administers the Foreign-Trade Zones (FTZ) Program. The FTZ staff serves as the operational arm of the FTZ Board, an interagency body chaired by the Secretary of Commerce. The Board was established to license (grants of authority) and regulate foreign trade zones (customs free zones), under the FTZ Act of 1934 (19 USC 81) and the Board's regulations (15 CFR 400). Foreign-Trade Zones are sponsored by public or public-type corporations, with some operated by private corporations under agreement with licensees. The Act's public utility requirement calls for reasonable and non-discriminatory rates. As of the end of FY 2005, there were 251 zones and 475 sub-zones in the United States employing over 300,000 persons. The volume of exports leaving U.S. foreign-trade zones amounted to \$19 billion in FY 2004 and an estimated \$19.5 billion in FY 2005.

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The formal applications approved for FY 2005 included four for new general-purpose zones (GPZ) projects, 25 for expansions of existing GPZ and 20 for new sub-zones. One of the formal reviews were withdrawn and terminated prior to final action. 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. Zone savings are designed to help improve the international competitiveness of U.S. industries. States and local communities use zones as an element of their economic development efforts. FTZ activity is monitored for compliance with application scope and compliance with FTZ Board grant restrictions.

Statutory Import Program

IA also manages the Statutory Import Program Staff (SIPS), which 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 Importation Act (Florence Agreement) authorized by P.L. 89-651, as amended by P.L. 106-36. The Insular Watch Assembly Program provides duty-exemption allocations for watches and watch movements entering the U.S. and duty-refund benefits, based on creditable wages and fringe benefits, to watch producers located in the U.S. Insular Possessions (Virgin Islands, Guam, American Samoa, and the Northern Marianas Islands). The Insular Possessions Jewelry Program provides a duty-refund benefit, based on creditable wages and fringe benefits, to jewelry manufacturers located in the Insular Possessions. The Florence Agreement Program implements U.S. treaty obligations under Annex D of the UNESCO sponsored Florence Agreement by determining whether scientific instruments imported into the U.S. 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. The staff also record and tabulate 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. Also, SIPS provides input on trade policy issues involving watches, jewelry, scientific instruments and articles for the handicapped.

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Summary of Workload and Performance Data

	FY 2003 Actual	FY 2004 Actual	FY 2005 Actual	FY 2006 Estimate	FY 2007 Estimate
ITA Performance Goal : Identify and Resolve Unfair Trade Practices					
Objective : Improve market access for U.S. firms and ensure compliance with trade agreements					
Number of trade negotiations led and/or supported by IA	New	New	New	Under Implementation	Under Implementation
Percent of identified market access and trade compliance issues for U.S. textile firms resolved	New	New	New	60%	60%
Objective : Enforce U.S. trade laws					
Percent of AD/CVD cases completed within statutory deadlines	100%	100%	100%	100%	100%
Percent of instructions sent to the U.S. Customs and Border Protection (CBP) on a timely basis	New	New	New	New	New
Number of AD/CVD instructions issued to CBP to implement or make changes to AD/CVD deposit rates	New	New	New	New	New
Percent of ministerial errors in IA's dumping and subsidy calculations	New	New	New	<5%	<5%
Average time to post to the Internet final decisions in IA proceedings	New	New	New	2 days	2 days
Percent of IA resources devoted to China enforcement issues	New	New	18%	18%	18%
Percent of China safeguard actions completed on time	New	New	New	80%	80%
Percent of wool fabric tariff rate quota licenses issued on time	New	New	New	80%	80%
Number of new AD/CVD petitioners counseled by IA staff	143	84	76	76	76
Number of continued counseling sessions by IA staff provided to AD/CVD petitioners	148	244	157	157	157
Average time to process new Foreign Trade Zones (FTZ) applications	New	New	New	12 months	12 months
Percent of applications for duty-free treatment for scientific instruments that are processed in 60 days	New	New	New	60%	60%
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	New	New	New	85%	85%
Objective : Identify distortions in foreign markets					
Number of potential unfair trade practices identified and/or under evaluation	New	New	New	140	140
Percent of identified unfair trade practices and foreign trade remedy proceedings affecting U.S. parties addressed through informal/formal intervention or dispute settlement	New	New	New	75%	75%
Number of potential unfair trade practices in China identified and/or under evaluation	New	New	New	40	40

Note: IA began collecting new workload and performance data in FY 2006. Data is displayed when available for prior fiscal year(s)

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Exhibit 10

PROGRAM AND PERFORMANCE: DIRECT OBLIGATIONS
(Dollar Amount in Thousands)

Activity: International Trade Administration

Subactivity: Trade Promotion/US & Foreign Commercial Service

		2005		2006		2007		2007		Increase/ (Decrease)	
		Actual		Currently Available		Base		Estimate			
		Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount
<u>Performance Goal</u>											
Broaden and Deepen the U.S. Exporter Base	Pos./Gross BA	1,119	221,085	1,301	228,839	1,301	246,791	1,301	248,291	0	1,500
	Pos./Net BA	1,119	215,085	1,301	222,839	1,301	235,791	1,301	237,291	0	1,500
	FTE/OBL.	1,238	226,752	1,254	226,595	1,254	235,791	1,254	237,291	0	1,500
Direct Obligations											
	Pos./Gross BA	1,119	221,085	1,301	228,839	1,301	246,791	1,301	248,291	0	1,500
	Pos./Net BA	1,119	215,085	1,301	222,839	1,301	235,791	1,301	237,291	0	1,500
	FTE/OBL.	1,238	226,752	1,254	226,595	1,254	235,791	1,254	237,291	0	1,500

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Exhibit 13

Trade Promotion And The U.S. & Foreign Commercial Service
INCREASE FOR FY 2007
The Asia-Pacific Partnership for Clean Development and Climate
(Dollar Amounts in Thousands)

ITA GOAL

		FY 2007 Base		FY 2007 Estimate		Increase	
		Personnel	Amount	Personnel	Amount	Personnel	Amount
Broaden and Deepen the U.S. Exporter Base	Pos./BA	0	0	[1]	\$1,500	[1]	\$1,500
	FTE/Obl.	0	0	[1]	\$1,500	[1]	\$1,500

The Asia-Pacific Partnership (APP) for Clean Development and Climate (1 FTE + \$1,500 million)

The APP is an international agreement announced on July 15, 2005 at an Association of South East Asia Nations (ASEAN)¹¹ Regional Forum meeting. Member countries account for around 50% of the world's greenhouse gas emissions, energy consumption, GDP and population. The United States, Australia, China, Japan, India and South Korea agreed to cooperate on development and transfer of technology which enables reduction greenhouse gas emissions. Russia, Canada, Mexico, Brazil and several ASEAN members have expressed interest in joining the treaty in the future. This enables each nation to achieve results and plan outcomes while considering individual country specific conditions and externalities. ITA plays a significant role in this initiative through the advancement of energy and environmental technologies. The U.S. continues to have a substantial commercial advantage in technologies that reduce energy consumption and limit greenhouse gas emissions.

MAS will receive \$500,000 and the Commercial Service will receive \$1.5 million of this program increase. Both programs will manage the implementation of the Asia-Pacific Partnership for Clean Development and Climate. The Commercial Service will support this program through VIP Trade Missions, Buyer Missions and other outreach events.

Note: Positions and FTE ceiling increase not being requested.

¹¹ The founding member countries of ASEAN were Indonesia, Malaysia, the Phillipines, Singapore and Thailand. States that joined later include Brunei, Vietnam, Laos, Myanmar and Cambodia. Papua New Guinea currently holds observer status in ASEAN.

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Exhibit 14

Trade Promotion And The U.S. & Foreign Commercial Service
Operations and Administration
Program Change Personnel Detail

Activity: International Trade Administration
Subactivity: Trade Promotion/US & Foreign Commercial Service
Program Change: The Asia Pacific Partnership for Clean Development and Climate

Title:	Grade	Number	Annual Salary	Total Salaries
Foreign Service Officer	FS 03/07	[1]	\$70,264	\$70,264
Subtotal		[1]		\$70,264
Less: Effects of Part Time		0		(\$35,132)
Total Full-time permanent:		[1]		\$35,132

Personnel Data

Full-Time Equivalent Employment

Full-Time permanent	[1]
Other than full-time permanent	0
Subtotal	[1]

Authorized Positions:

Full-Time permanent	[1]
Other than full-time permanent	0
Subtotal	[1]

Note: Positions and FTE ceiling increase not being requested.

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Exhibit 15

Trade Promotion and The U.S. & Foreign Commercial Service
Program Change Detail By Object Class
(Dollar Amount in Thousands)

Object Class	2007 Base	2007 Estimate
11 Personnel compensation		
11 Full-time permanent	0	35
11 Other than full-time permanent	0	0
12 Other personnel compensation	0	0
12 Special personnel services payments	0	0
12 Total personnel compensation	0	35
12 Civilian personnel benefits	0	11
13 Benefits for former personnel	0	0
21 Travel and transportation of persons	0	450
22 Transportation of things	0	45
23 Rental payments to GSA	0	0
23 Commun., util., misc. charges	0	60
23 Rental payments to others	0	225
24 Printing and reproduction	0	4
25 Consulting services	0	400
25 Other services	0	168
25 Purchase of goods and services from Gov't accounts	0	91
26 Supplies and materials	0	8
31 Equipment	0	3
32 Lands and structures	0	0
33 Investments and loans	0	0
41 Grants, subsidies and contributions	0	0
42 Insurance claims and indemnities	0	0
43 Interest and dividends	0	0
81 Advances	0	0
44 Refunds	0	0
99 Total Direct Obligations	0	1,500

Note: Positions and FTE ceiling increase not being requested.

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JUSTIFICATION OF PROGRAM AND PERFORMANCE

TRADE PROMOTION AND THE U.S. & FOREIGN COMMERCIAL SERVICE

Trade Promotion: America's Global Business Partner

Department of Commerce Goal 1

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

Mission and Goals for FY 2006

The statutory mission of Trade Promotion and the U.S. & Foreign Commercial Service (Commercial Service, or CS) is to "place primary emphasis on the promotion of goods and services from the United States, particularly by small and medium-sized enterprises, and on the protection of U.S. business interests abroad."¹² The Commercial Service' vision is to be the best source of customized solutions for U.S. business to compete and win in the global marketplace.

The Commercial Service' mission supports the ITA-wide goal titled "Broaden and Deepen the U.S. Exporter Base." The Commercial Service achieves its mission and goals by:

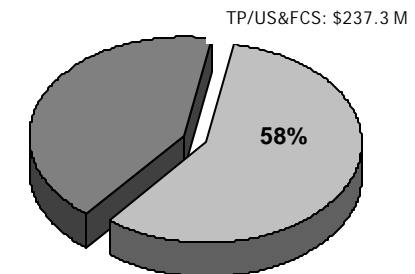
- Increasing the number of U.S. companies exporting;
- Helping current exporters enter additional markets;
- Helping current exporters expand their presence within markets; and
- Advocating for U.S. firms competing for foreign commercial opportunities.

In FY 2005, the Commercial Service facilitated 12,518 export transactions, of which 87percent were for small-and-medium-sized exporters. Over 620 transactions were for first-time exporters. The Commercial Service focus on traditionally under-served communities resulted in over 620 transactions for rural companies, over 180 transactions for minority owned businesses, and 190 transactions for women owned businesses (see table 1). The Commercial Service advocacy caseload grew 63 percent between April 2003 and February 2005, with a U.S. content rate of nearly 75 percent for successful projects in FY 2004.

Base Program

The Commercial Service fulfills its mission through a unique global network of trade professionals located in over 250 domestic and international offices. Commercial Service coordinates its efforts with state, local, and other federal agency partners through memoranda of understanding to multiply its impact and ensure no overlap in services. By co-locating with U.S. government agencies and partners in one place, the Commercial Service provides customers with one-stop shopping for services and cost savings on rents.

**CS Resources Dedicated to ITA
Goal: "Broaden and Deepen the
U.S. Exporter Base"**



Total FY 2007 ITA Budget: \$408.8 M

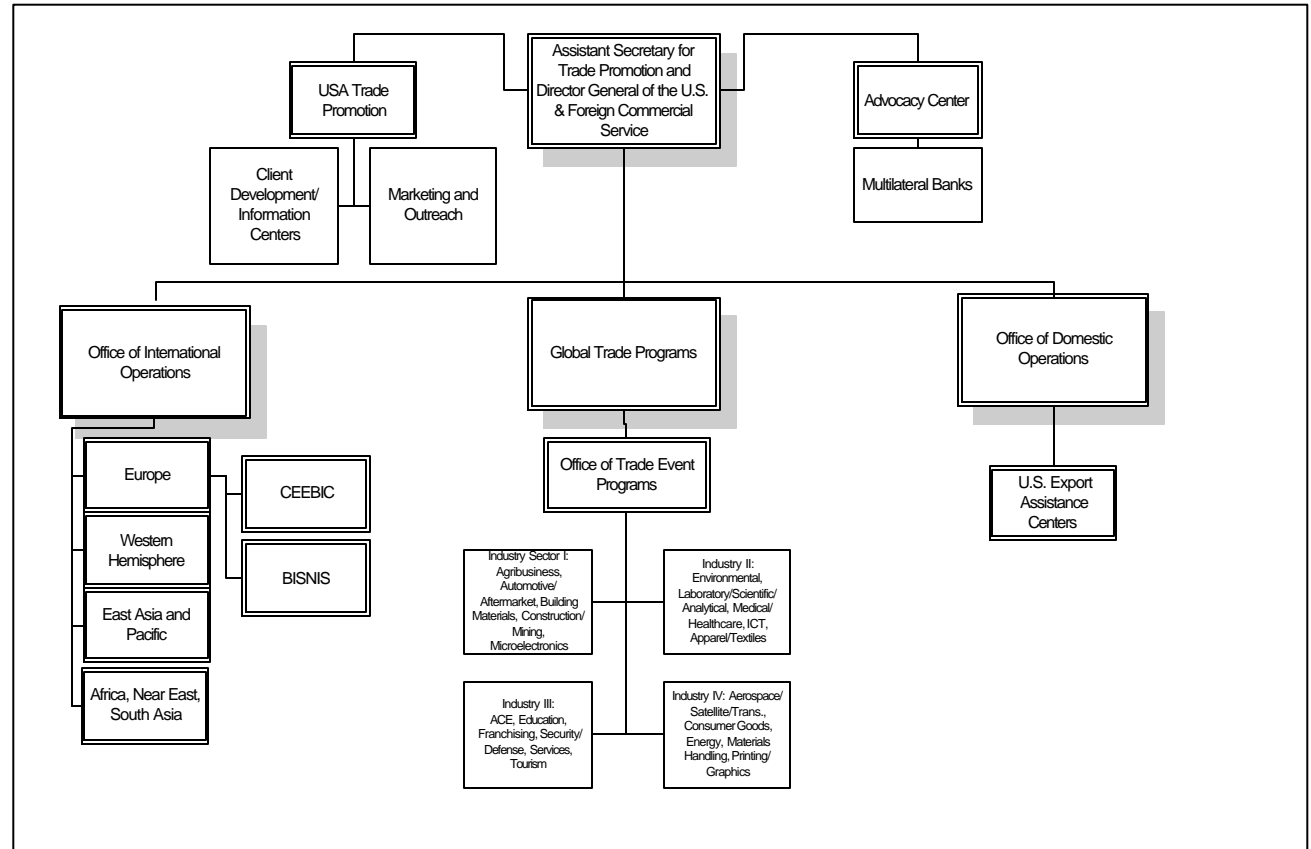
¹² Source: The Omnibus Trade and Competitiveness Act of 1988

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The Commercial Service dedicates resources to capitalize on export opportunities identified by trade patterns; facilitate outreach to traditionally underserved rural and minority communities; coordinate with multiplier organizations,¹³ and ensure adequate support for compliance, advocacy, and policy initiatives (e.g., Free Trade Agreements).

The Commercial Service is undertaking four initiatives to better address the changing global economy, as presented in the 2005 National Export Strategy:

- **New client development.** The Commercial Service is launching a USA Trade Promotion unit (USATP), designed to increase new clients by 20 percent by FY 2008. This effort leverages ITA's FY 2004 reorganization by combining the Trade Information Center's contact center, marketing functions, business-information centers,¹⁴ and global diversity outreach in a single unit. USATP will proactively reach out to segmented portions of the U.S. business community and strengthen partnership efforts (e.g., the Commercial Service agreement with Federal Express).



¹³ More than 2/3 of domestic offices are co-located with other federal, state, and local partners to provide clients access to one-stop shops and prevent duplication of services. Many of these organizations provide the continua of services to ensure all clients' needs are met (e.g., from how to start a business, to how-to-export seminars, to sophisticated federal export-finance assistance).

¹⁴ The China Business Information Center (China BIC), now within the USA Trade Promotion Unit, is the first comprehensive U.S. Federal Government resource to help American businesses take advantage of China's rapid integration into the global economy. The China BIC offers clients access to counseling with trade specialists in the United States, referrals to Commercial Officers in China, and channeling of trade leads to clients through U.S. Export Assistance Centers. Since September 2004, Commerce Department officials have conducted 45 China outreach seminars in cities throughout the United States reaching 2,830 participants.

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- Field office streamlining. The Commercial Service plans to adjust its overseas and domestic staffing to address changes in the global marketplace. These changes will place resources into critical markets (e.g., China, new Free Trade Agreement markets, and countries acceding to World Trade Organization requirements) and focus on providing solutions on the increasingly complex environment in which U.S. exporters work. The Commercial Service will move additional existing resources into direct client contact positions, and will realign other positions to strengthen specialized knowledge.
- Early project development. The Commercial Service will fully integrate its early-project development initiative with Trade Promotion Coordinating Committee agencies, and it will integrate its multilateral development bank efforts into this process.
- Client Relationship Management System. The Commercial Service is upgrading its client relationship management system to provide the enterprise with a competitive advantage by creating a unified, enterprise-wide view of the customer, and by presenting a single “face” to the customer. This system will ensure customers receive information in a relevant and timely manner and via the channels they prefer. Worldwide staff will use the information at the customer touch points to improve customer service and productivity.

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

Export Promotion

- *Counseling*, which provides clients reliable advice on developing export-marketing plans, product pricing, best prospects, market entry, distribution channels, export financing, and the range of public and private assistance, including support for all other federal trade-promotion services;
- *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 qualified overseas agents, distributors, and other partners and end users; market-sensitive trade events; and reverse-business forums.

Advocacy

- *Interagency efforts*, which includes assessing advocacy requests, providing overseas government-to-government advocacy, and supporting other trade-related agencies (e.g., State Department, U.S. Trade Representative, 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 SMEs 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 feeds information to headquarters for coordination and policy direction.

The Commercial Service will support the Asia Pacific Partnership in FY 2007 through VIP Trade Missions, Buyer Missions and other outreach events.

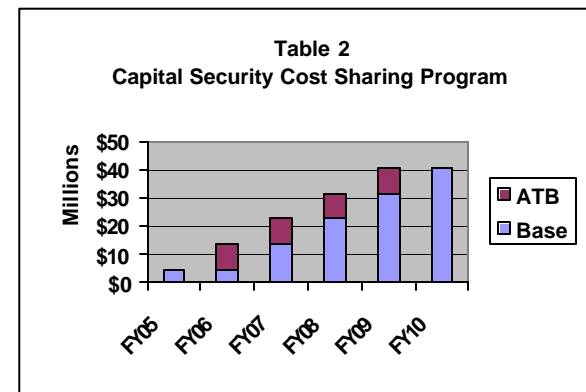
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To ensure Commercial Service trade professionals remain in touch with the global economy, the Commercial Service manages a strategic professional development program. This program includes compliance training for all staff, human rights and customer service training, recurrent tradecraft training, and leadership development. The Commercial Service uses videoconferencing and webcasting worldwide to lower the cost of doing business for clients and to extend training funds.

The Commercial Service uses three e-commerce tools to help U.S. business evaluate overseas markets and take advantage of foreign sales opportunities:

- Export.gov, ITA's export portal, which provides the public information on export markets, including business opportunities, regulatory issues, and trade policy.
- DOC Insider, a knowledge-management tool to improve worldwide productivity, speed client solutions, and increase the ability of Commercial Service trade professionals to serve additional clients.
- ITA Ourplace (e-Menu), an intranet site, which supports the management of ITA products and services, and personnel and financial tracking.

The Commercial Service maintains a critical overseas network, most of which is located in U.S. Consulates and Embassies. The Department of State plans to build 155 new embassy compounds over a 14-year period for a total of \$17.5 billion. Under the Capital Security Cost Sharing (CSCS) program, the State Department charges all agencies represented in embassies on a per capita basis. The Commercial Service share for FY 2007 will be approximately \$24.6 million. CSCS began in FY 2005 with a low funding rate and then increases progressively through FY 2010 to approximately \$40.7 million (see table 2). It will continue at the FY 2010 rate through FY 2018. Without these requested funds, ITA will significantly reduce its overseas presence.



The Commercial Service request also includes funds supporting the first step of transition to a performance-based pay system and global rate of pay for Foreign Commercial Service personnel grade FS-01 and below. The forthcoming Foreign Service Modernization legislative proposal linked to this funding would amend Section 406 of the Foreign Service Act (22 USC 3966) to eliminate longevity-based pay increases and institute a strictly pay-for-performance system similar to that instituted for the Senior Foreign Service in P.L. 108-447.

The proposal would also establish a global rate of pay for the Foreign Commercial Service to attract and retain a labor market for worldwide-available personnel, based on the needs of the Service, consistent with other pay systems with similar worldwide availability requirements. This global rate also addresses the increasing pay disincentive to overseas service, due to the frequent rotation of assignments, influenced by 5 USC 5304. The Modernization proposal would equalize the Foreign Commercial Service global rate at the Washington, D.C. rate, including locality pay, over two years. The requested funding supports the first step of this transition. Additional funding will be required in FY 2008 and FY 2009 to fully close the gap, in order to begin a new pay-for-performance system effective April 2008, under a uniform global rate pay system.

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Summary of Workload and Performance Data

	FY 2004 Actual	FY 2005 Actual	FY 2006 Estimate	FY 2007 Estimate
ITA Performance Goal: Broaden and Deepen the U.S. Exporter Base ¹⁵				
Percentage of advocacy actions completed successfully	13%	12%	12% to 15%	12% to 15%
\$ Value of advocacy cases completed successfully	N/A	N/A	New	Subject to FY 2006 Baseline
Number of new-to-export export successes	704	620	700 to 850	700 to 850
Number of new-to-market export successes	4,759	4,888	4,760 to 5,500	4,760 to 5,500
Number of increase-to-market export successes	N/A	N/A	New	Subject to FY 2006 Baseline
Number of export transactions made as a result of ITA involvement (Summary)	11,382	12,518	11,385 to 13,500	11,385 to 13,500
Performance Measure by Initiative ¹⁶				
Number of SMEs export transactions	10,044	10,908	11,163-11,772	11,163-11,772
Number of rural-owned business export transactions	614	623	677-713	677-713
Number of minority-owned business export transactions	158	184	174-183	174-183
Number of women-owned business export transactions	150	190	166-175	166-175

¹⁵ Measures listed under this performance goal appear in the Annual Performance Plan as short and long term measures.

¹⁶ Minor Adjustments were made to the data after the close of the fiscal year.

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Exhibit 10

PROGRAM AND PERFORMANCE: DIRECT OBLIGATIONS
(Dollar Amount in Thousands)

Activity: International Trade Administration
Subactivity: Executive Direction/Administration

		2005		2006		2007		2007		Increase/ (Decrease)	
		Actual		Currently Available		Base		Estimate			
		Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount
Performance Goal											
Enhance U.S. Competitiveness in the Global Marketplace	Pos./Gross BA	22	3,336	20	3,314	18	3,059	18	3,059	0	0
	Pos./Net BA	22	3,336	20	3,314	18	3,059	18	3,059	0	0
	FTE/OBL.	18	3,435	18	3,314	16	3,059	16	3,059	0	0
Broaden and Deepen the U.S. Exporter Base											
Broaden and Deepen the U.S. Exporter Base	Pos./Gross BA	98	14,883	88	14,784	94	15,804	94	15,804	0	0
	Pos./Net BA	98	14,883	88	14,784	94	15,804	94	15,804	0	0
	FTE/OBL.	79	15,325	78	14,784	84	15,804	84	15,804	0	0
Identify and Resolve Unfair Trade Practices											
Identify and Resolve Unfair Trade Practices	Pos./BA	49	7,442	44	7,392	40	6,627	40	6,627	0	0
	Pos./BA	49	7,442	44	7,392	40	6,627	40	6,627	0	0
	FTE/OBL.	40	7,662	39	7,392	35	6,627	35	6,627	0	0
Direct Obligations											
Direct Obligations	Pos./Gross BA	169	25,661	152	25,490	152	25,490	152	25,490	0	0
	Pos./Net BA	169	25,661	152	25,490	152	25,490	152	25,490	0	0
	FTE/OBL.	137	26,422	135	25,490	135	25,490	135	25,490	0	0

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JUSTIFICATION OF PROGRAM AND PERFORMANCE

EXECUTIVE DIRECTION AND ADMINISTRATION

Supporting Trade Through Leadership and Effective Resource Management

Department of Commerce Goal 1

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

Mission and Goals for FY 2007

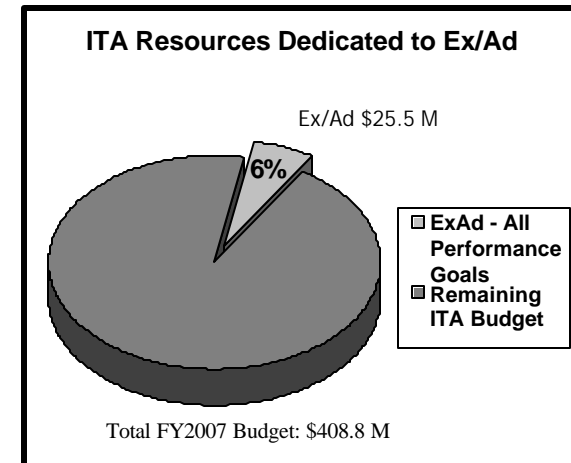
The mission of the Executive Direction and Administration (Ex/Ad) unit is to achieve U.S. trade expansion and economic growth through leadership, well-conceived policy guidance, and efficient and effective management of ITA resources. In FY 2007, Ex/Ad will provide the necessary support services, program oversight, and overall policy leadership to allow ITA program units to operate at their full potential. 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.

Ex/Ad supports all three ITA-wide strategic goals:

- Goal 1 – Enhance U.S. Competitiveness in the Global Marketplace
- Goal 2 – Broaden and Deepen the U.S. Exporter Base
- Goal 3 – Identify and Resolve Unfair Trade Practices

Base Program

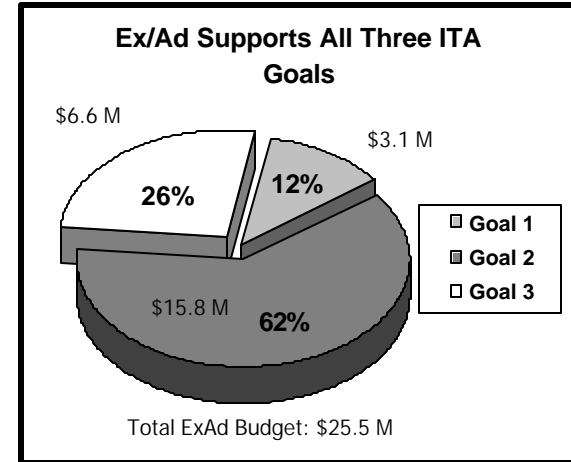
The Executive Direction and Administration program includes offices under the Under Secretary of International Trade, the Chief Financial Officer and Director of Administration, and the Chief Information Officer. Programs and issues concerning trade administration, commercial policy, and trade development 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 Deputies, and the Trade Policy Review Group, and the office serves as ex-officio member of the Board of the Export-Import Bank of the U.S., and on other Secretarial-level boards, committees or panels for which the primary focus is international trade. In addition, the Under Secretary's Office houses the Secretariat of the Trade Promotion Coordinating Committee (TPCC), which is chaired by the Secretary of Commerce. The TPCC is composed of 19 federal agencies, which work to coordinate and streamline trade promotion and financing services. It also develops and implements a government-wide strategic plan for federal trade promotion efforts, and annually submits a National Export Strategy report to Congress. OLIA acts as a liaison to the U.S. government's legislative branch. Through its work, OLIA



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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 magazine, Export America, which highlights ITA's efforts, its clients' successes, and provides a resource for small and medium-sized enterprises interested in exporting.

In addition, the Chief Financial Officer and Director of Administration, through the Offices of Financial Management, Organization and Management Support, and Human Resources Management, oversees the agency's resources and measures program performance to maintain ITA's superior efforts. These offices provide services and manage the administrative aspects of ITA, and thus ensure that the needs of ITA clients and employees are fulfilled. ITA understands the importance of using reliable and accurate financial data, and the ability of this data to demonstrate the proud achievements of the organization. CFO/Administration is looking forward to implementing a new Accounting and Management system, the Commerce Business Systems, which will enable ITA to utilize its resources and facilitate implementation of recommendations made by the ITA Fee Study and in the Commercial Service PART regarding activity based costing and fees.



Ex/Ad also contributes to ITA's efforts in providing advanced, technical solutions to trade. The Office of the Chief Information Officer provides centralized strategic and operational management of Information Technology (IT) resources, maximizing information control and security on a global basis and overseeing platform standardization, training and life cycle management. In addition, the Office of the Chief Information Officer 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 CIO's office provide ITA's customers with an important and useful tool to learn about exporting, and thus champion trade, but also integrates many of the facets of ITA's organizational efforts into one seamless and unified informational space.

Executive Direction and Administration is utilizing its funds to improve the skills and understanding of its workforce. From executive training to technical trade law support, the training fund is helping to ensure that ITA's workforce reaches its full potential.

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Summary of Workload and Performance Data

	FY 2004	FY 2005	FY 2006	FY 2007
	Actual	Actual	Estimate	Estimate
Customer satisfaction with ITA products and services	70	70	71	71
Level of awareness of ITA products and services	77%	77%	80%	Discontinued
Customer perception for ease of access to export and trade information and data	74	74	74to 76	74to 76
Percentage of ITA's products and services provided electronically to external customers	82%	Discontinued	Discontinued	Discontinued

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Exhibit 16

**REQUIREMENTS BY OBJECT CLASS
(Dollar Amount in Thousands)**

<u>Object Class</u>	2005	2006	2007	2007	Increase
	Actual	Currently Available *	Base *	Estimate	(Decrease)
11 Personnel compensation					
11 Full-time permanent	153,339	152,189	154,586	154,814	228
11 Other than full-time permanent	17,087	17,617	18,004	18,004	0
12 Other personnel compensation	7,643	7,806	7,949	7,949	0
12 Special personnel services payments	150	155	158	158	0
12 Total personnel compensation	178,219	177,767	180,697	180,925	228
12 Civilian personnel benefits	50,333	50,562	51,924	51,996	72
13 Benefits for former personnel	1,934	1,994	2,038	2,038	0
21 Travel and transportation of persons	16,522	14,870	14,137	14,833	696
22 Transportation of things	2,018	1,917	1,952	1,997	45
23 Rental payments to GSA	15,340	14,697	15,616	15,616	0
23 Communications, utilities and miscellaneous charges	6,428	5,906	6,094	6,154	60
23 Rental payments to others	17,661	17,661	17,979	18,204	225
24 Printing and reproduction	1,860	1,892	1,532	1,536	4
25 Consulting services	5,182	2,753	2,753	3,153	400
25 Other services	21,813	6,757	10,661	10,829	168
25 Purchase of goods and services from Gov't accounts	64,360	76,671	90,216	90,307	91
26 Supplies and materials	4,330	4,404	4,483	4,491	8
31 Equipment	5,503	5,503	5,602	5,605	3
32 Lands and structures	1	1	0	0	0
33 Investments and loans	0	0	0	0	0
41 Grants, subsidies and contributions	17,788	18,264	1,000	1,000	0
42 Insurance claims and indemnities	48	49	49	49	0
43 Interest and dividends	1	49	49	49	0
81 Advances	(133)	0	0	0	0
44 Refunds	0	0	0	0	0
99 Total Direct Obligations	409,208	401,716	406,782	408,782	2000
Less Prior Year Recoveries	(13,633)				
Less Unobligated balance, start of year	(11,627)	(7,886)			
Less Unobligated balance, cash on hand	0				
Less Unobligated balance, carryover	(241)				
Unobligated balance, expiring	378				
Unobligated balance, end of year	7,886				
Unobligated balance, end of year cash on hand	3,029				
Less Fees Collected	(7,893)				
Rescissions	5,256				
Less Transfers from other accounts	(4,106)				
Net Budget Authority	388,257	393,830	406,782	408,782	2000

* Grants not requested in FY 07. FY 05 and FY 06 obligation amounts include USAID transfers.

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Exhibit 16

REQUIREMENTS BY OBJECT CLASS
(Dollar Amount in Thousands)

Object Class	2005 Actual	2006 Currently Available *	2007 Base	2007 Estimate
<u>Personnel Data</u>				
Full-Time equivalent Employment:				
Full-time permanent	1,979	2,007	2,007	2,007
Other than full-time permanent	232	210	210	210
Total	2,211	2,217	2,217	2,217
Authorized Positions:				
Full-time permanent	1,989	2,067	2,067	2,067
Other than full-time permanent	224	226	226	226
Total	2,213	2,293	2,293	2,293

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REQUIREMENTS BY OBJECT CLASS
United States Travel and Tourism Promotion
(Dollar Amount in Thousands)

Object Class	2005 Actual	2006 Currently Available	2007 Base	2007 Estimate
11 Personnel compensation				
11 Full-time permanent	0	0	0	0
11 Other than full-time permanent	0	0	0	0
12 Other personnel compensation	0	0	0	0
12 Special personnel services payments	0	0	0	0
12 Total personnel compensation	0	0	0	0
12 Civilian personnel benefits	0	0	0	0
13 Benefits for former personnel	0	0	0	0
21 Travel and transportation of persons	15	0	0	0
22 Transportation of things	0	0	0	0
23 Rental payments to GSA	0	0	0	0
23 Commun., util., misc. charges	1	0	0	0
23 Rental payments to others	0	0	0	0
24 Printing and reproduction	0	0	0	0
25 Consulting services	0	0	0	0
25 Other services	9,731	4,068	0	0
25 Purchase of goods and services from Gov't accounts	0	0	0	0
26 Supplies and materials	0	0	0	0
31 Equipment	0	0	0	0
32 Lands and structures	0	0	0	0
33 Investments and loans	0	0	0	0
41 Grants, subsidies and contributions	0	0	0	0
42 Insurance claims and indemnities	0	0	0	0
43 Interest and dividends	0	0	0	0
81 Advances	0	0	0	0
44 Refunds	0	0	0	0
99 Total Direct Obligations	9,747	4,068	0	0
Less Prior Year Recoveries	0			
Less Unobligated balance, start of year	0	(119)		
Less Unobligated balance, cash on hand	0			
Less Unobligated balance, end of year, expiring	0			
Unobligated balance, end of year	119			
Rescissions	0			
Transfers from other accounts	0			
Total Budget Authority	9,866	3,949	0	0

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Exhibit 16

REQUIREMENTS BY OBJECT CLASS
Manufacturers of Worsted Wool
(Dollar Amount in Thousands)

Object Class	2005 Actual	2006 Currently Available	2007 Base	2007 Estimate
11 Personnel compensation				
11 Full-time permanent	0	0	0	0
11 Other than full-time permanent	0	0	0	0
12 Other personnel compensation	0	0	0	0
12 Special personnel services payments	0	0	0	0
12 Total personnel compensation	0	0	0	0
12 Civilian personnel benefits	0	0	0	0
13 Benefits for former personnel	0	0	0	0
21 Travel and transportation of persons	0	0	0	0
22 Transportation of things	0	0	0	0
23 Rental payments to GSA	0	0	0	0
23 Commun., util., misc. charges	0	0	0	0
23 Rental payments to others	0	0	0	0
24 Printing and reproduction	0	0	0	0
25 Consulting services	0	0	0	0
25 Other services	0	0	0	0
25 Purchase of goods and services from Gov't accounts	0	0	0	0
26 Supplies and materials	0	0	0	0
31 Equipment	0	0	0	0
32 Lands and structures	0	0	0	0
33 Investments and loans	0	0	0	0
41 Grants, subsidies and contributions	0	5,332	0	0
42 Insurance claims and indemnities	0	0	0	0
43 Interest and dividends	0	0	0	0
81 Advances	0	0	0	0
44 Refunds	0	0	0	0
99 Total Direct Obligations	0	5,332	0	0
Less Prior Year Recoveries	0			
Less Unobligated balance, start of year	0	(5,332)		
Less Unobligated balance, cash on hand	0			
Less Unobligated balance, end of year, expiring	0			
Unobligated balance, end of year	5,332			
Rescissions	0			
Transfers from other accounts	0			
Total Budget Authority	5,332	0	0	0

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Exhibit 17

Object Class	2007 Adjustments to Base	2007 Base	2007 Estimate	Increase/ (Decrease)
11 Personnel compensation				
11.1 Full-time permanent				
Executive level	0	634	634	0
Senior Executive Service	0	4,107	4,107	0
General schedule	0	105,034	105,262	228
Senior Foreign Service	1,454	24,413	24,413	0
Foreign Service Staff	546	6,567	6,567	0
Foreign Service Nationals	0	13,831	13,831	0
Subtotal	2,000	154,586	154,814	228
11.3 Other than full-time permanent				
General schedule	0	17,907	17,907	0
Experts & consultants	0	97	97	0
Subtotal	0	18,004	18,004	0
11.5 Other personnel compensation				
Overtime	0	361	361	0
Cash awards	0	4,638	4,638	0
Differentials	0	2,950	2,950	0
Subtotal	0	7,949	7,949	0
11.8 Special personnel services payments				
Foreign service officers (State)	0	158	158	0
Other	0	0	0	0
Subtotal	0	158	158	0
11.9 Total personnel compensation	2,000	180,697	180,925	228

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Object Class	2007 Adjustments to Base	2007 Base	2007 Estimate	Increase/ (Decrease)
12.1 Civilian personnel benefits				
Civil service retirement	0	1,646	1,649	2
Federal Employee Retirement	0	13,846	13,865	19
Thrift savings plan	0	4,744	4,751	7
Federal insurance contribution act	0	7,266	7,276	10
Health insurance	0	11,374	11,390	16
Life insurance	0	231	231	0
Employees comp fund	0	759	760	1
Other	0	12,058	12,075	17
Subtotal	0	51,924	51,996	72
13.0 Benefits for former personnel				
Severance pay	0	1,001	1,001	0
Unemployment compensation	0	1,037	1,037	0
Subtotal	0	2,038	2,038	0
21 Travel and transportation of persons				
Common Carrier	0	5,465	5,734	269
Mileage	0	271	284	13
Per diem/actual	0	6,213	6,520	307
Vehicular	0	109	114	5
Other	0	2,079	2,181	102
[Overseas estimates]	[0]	[10,567]	[11,265]	[696]
Subtotal	0	14,137	14,835	696
22 Transportation of things				
[Overseas estimates]	[0]	[710]	[755]	[45]
Subtotal	0	1,952	1,997	45

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Object Class	2007 Adjustments to Base	2007 Base	2007 Estimate	Increase/ (Decrease)
23.1 Rental payments to GSA	0	15,616	15,616	0
23.2 Rental payments to others	0	17,979	18,204	225
23.3 Communications, utilities and miscellaneous charges				
Rental of ADP equipment	0	17	17	0
Rental of office copying equipment	0	14	14	0
Other equipment rental	0	696	703	7
Federal telecommunications system	0	2,063	2,083	20
Other telecommunications services	0	537	542	5
Postal services by USPS	0	795	803	8
Other	0	1,972	1,992	20
[Overseas estimates]	[0]	[3,074]	[3,134]	[60]
Subtotal	0	6,094	6,154	60
24 Printing and reproduction				
Publications	0	711	713	2
Public use forms	0	220	221	1
Envelopes	0	47	47	0
Other	0	554	555	1
[Payments to DM, WCF]	[0]	[600]	[600]	[0]
[Overseas estimates]	[0]	[452]	[453]	[1]
Subtotal	0	1,532	1,536	4
25.1 Consulting services	0	2,753	3,153	400

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25.2 Other services				
Training:				
University training	0	11	11	0
Other	0	2,218	2,218	0
Maintenance of equipment	0	342	342	0
Other non-governmental contracts	0	5,596	5,596	0
Representation	0	375	375	0
Other	0	2,119	2,287	168
[Overseas estimates]	[0]	[0]	[0]	[0]
Subtotal	0	10,661	10,829	168
25.3 Purchases of goods & services from Gov't accounts				
Office of Personnel Management Training	0	107	107	0
GSA reimbursable services	0	174	174	0
Commerce Business System (CBS)	0	1,099	1,099	0
Department of Interior	0	4,000	4,000	0
Department of State Capital Security Cost Sharing Program	10,952	24,600	24,600	0
Payment to DM, WCF	0	31,349	31,349	0
Other Misc. services by other Federal Agencies	0	7,080	7,080	0
International Cooperative Support Services (ICASS)	0	21,807	21,898	91
Subtotal	10,952	90,216	90,307	91
26 Supplies and materials				
Office Supplies	0	2,291	2,295	4
ADP supplies	0	709	710	1
Other	0	1,483	1,486	3
[Overseas estimates]	0	[1,873]	[1,877]	[4]
Subtotal	0	4,483	4,491	8

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Object Class	2007 Adjustments to Base	2007 Base	2007 Estimate	Increase/ (Decrease)
31 Equipment				
Office machines and equipment	0	1,349	1,352	3
ADP hardware	0	68	68	0
ADP software	0	769	769	0
Other	0	3,416	3,416	0
[Overseas estimates]	[0]	[2015]	[2015]	0
Subtotal	0	5,602	5,605	3
32 Lands and structures	0	0	0	0
Subtotal lands and structures	0	0	0	0
33 Investments	0	0	0	0
41 Grants, subsidies and contributions	0	1,000	1,000	0
42 Insurance claims and indemnities	0	49	49	0
43 Interest/dividends..	0	49	49	0
44 Refunds	0	0	0	0
81 Advances	0	0	0	0
99 Total Obligations	12,952	406,782	408,782	2,000

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Object Class	2007 Adjustments to Base	2007 Base	2007 Estimate	Increase/ (Decrease)
99 Total Obligations	12,952	406,782	408,782	2,000
Less Prior Year Recoveries	0	0	0	0
Less Unobligated balance, start of year	0			
Less Unobligated balance, start of year cash on hand	0	0	0	0
Plus Unobligated Balance, expiring				
Plus Unobligated Balance, End of Year	0	0	0	0
Plus Unobligated Balance Rescission	0	0	0	0
Less Transfers from other accounts	0	<u>0</u>	0	0
Net Budget Authority	12,952	406,782	408,782	2,000
 Personnel Data				
Full-Time equivalent Employment:				
Full-time permanent	0	2,007	2,007	0
Other than full-time permanent	0	210	210	0
Total	<u>0</u>	2,217	2,217	0
 Authorized Positions:				
Full-time permanent	0	2,067	2,067	0
Other than full-time permanent	0	226	226	0
Total	<u>0</u>	2,293	2,293	0

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Exhibit 33

Appropriation Language and Code Citations:

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. 637(e)
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. 1303
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)

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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. 801 et seq.
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. 300j
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.
50 U.S.C. 2061
50 U.S.C. 2401

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.

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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 notes provides authority for two import control programs, the Watch Quota program and the Florence Agreement program.

19 U.S.C. 1303 relates to countervailing duties and levies.

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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

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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. 801 as it relates to foreign service.

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.

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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. 300j delegates the Secretary of Commerce with power to redelegate to officers and employees of the Government as it relates to the safety of public water systems.

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

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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.

50 U.S.C. 401 as it relates to a senior representative of the Secretary of Commerce to be invited to participate in any advisory groups in regards to 50 U.C.C. 401.

50 U.S.C. 2061 as it relates to Commerce and Trade.

50 U.S.C 2401 as it relates to intellectual property rights and the royalty and fee schedules. Includes the means of a contract between the Department and non-Federal organization under which that organization pays the Department to provide a service or material not otherwise available in the domestic private sector.

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;"*

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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;"

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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. "\$408,925,000 to remain available until expended, of which \$13,000,000 is to be derived from fees to be retained and used by the International Trade Administration, notwithstanding 31 U.S.C. 3302"

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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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Exhibit 34

CONSULTING AND RELATED SERVICES
(Obligations in thousands)

	2005	2006	2007
	Actual	Currently Available	Estimate
Management and professional support services	\$2,112	\$1,122	\$1,285
Studies, and analysis evaluations	\$1,448	\$769	\$881
Engineering and technical service	\$1,622	\$862	\$987
Total	\$5,182	\$2,753	\$3,153

ITA uses consulting services to meet relatively short-term requirements for industry and/or economic expertise. Various ITA programs focus on very specific areas (specific export promotion events, negotiations, antidumping and countervailing duty cases), it is preferable to maintain the ability to obtain short-term expertise rather than a permanent staff capacity.

Management and professional services: These services provide technical expertise, interpretation and stenographic services.

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Exhibit 35

PERIODICALS, PAMPHLETS, AND AUDIOVISUAL PRODUCTS
(Obligations in thousands)

	2005 Actual	2006 Currently Available	2007 Estimate
Periodicals	\$478	\$486	\$495
Pamphlets	\$102	\$104	\$60
Audiovisuals	\$0	\$0	\$0
Total	\$580	\$590	\$555

ITA publications, periodicals as well as pamphlets, are some of the most essential tools in 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. Periodicals include Export America, BuyUSA Materials, and Core Materials.

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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Exhibit 36

AVERAGE GRADE AND SALARIES
(Obligations in thousands)

	2005	2006	2007
	Actual	Currently Available	Estimate
Direct			
Average ES salary	\$140,950	\$145,319	\$148,516
Average GS grade	11.9	11.9	11.9
Average GS salary	\$76,692	\$79,069	\$80,809
Average grade and salary established by the Foreign Service Act of 1980 (U.S.C. 801-1158):			
Average Senior Foreign Service salary	\$144,511	\$148,991	\$152,269
Average Foreign Service Officer grade	2.02	2.02	2.02
Average Foreign Service Officer salary	\$99,590	\$102,677	\$104,936
Average Foreign Service Staff salary	\$72,737	\$74,992	\$76,642
Average Foreign Service salary in foreign countries	\$102,241	\$105,410	\$107,729

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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
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 of the entire Department of Commerce
DOA- Director of Administration
DOS- Department of State
ECF- Employees Compensation Fund
EFM- Export Finance Matchmaker
EPA- Environmental Protection Agency
EU- European Union
EX/AD- Executive Direction and Administration
FCC- Federal Communications Commission
FCIB- Finance, Credit and International Business
FDA- Food and Drug Administration
FERS- Federal Employees Retirement System
FFMIA- Federal Financial Management Improvement Act

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FFS- Federal Financial System
FICA- Federal Insurance Contribution Act
FSN- Foreign Service National
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
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
JCCT- Joint Commission on Commerce and Trade
JFMIA- Joint Federal Management Improvement Act
JFMIP- Joint Financial Management Improvement Program
MAC- Market Access and Compliance
MAS- Manufacturing and Services
MDCP- Market Development Cooperator Program
MEP- Market Entry Program

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MEPI- Middle East Partnership Initiative
MOU- Memorandum of Understanding
NAFTA- North American Free Trade Agreement
NARA- National Archives and Records Administration
NES- National Export Strategy
NME- Non-Market Economy
NTBs- Non-Tariff Barriers
OAG- Official Airlines Guide
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
P.L.- Public Law
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
SPLT- Strategic Planning Leadership Team
SPP- Security and Prosperity Partnership
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/COMMERCIAL SERVICE- Trade Promotion/United States and Foreign Commercial Service [Commercial Service (CS)]
TPA- Trade Promotion Authority
TPCC- Trade Promotion Coordinating Committee
TSP- Thrift Savings Plan

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U.K.- United Kingdom
USAID- U.S. Agency for International Cooperation
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

Trade Promotion Coordinating Committee (TPCC) Member Agencies

1. Department of Commerce
2. Department of State
3. Department of Agriculture
4. U.S Agency for International Development
5. Small Business Administration
6. Export-Import Bank of the United States
7. Department of the Treasury
8. United States Trade Representative
9. Overseas Private Investment Corporation
10. U.S Trade and Development Agency
11. Department of Energy
12. National Economic Council
13. Department of the Interior
14. Department of Defense
15. Office of Management and Budget
16. Department of Labor
17. Council of Economic Advisors
18. Department of Transportation
19. Environmental Protection Agency