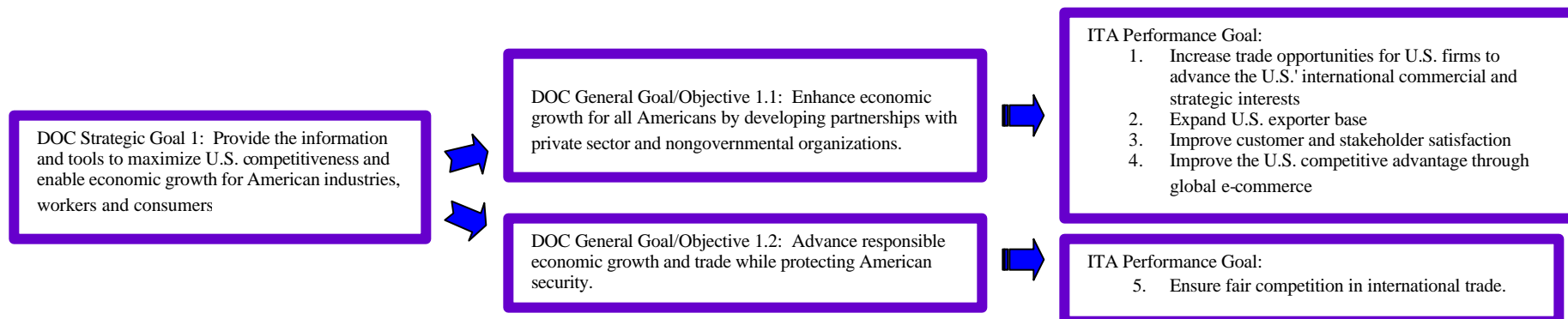


## ***FY 2005 Annual Performance Plan***

**Introduction:** The Government Performance and Results Act (GPRA) of 1993 requires agencies to prepare Annual Performance Plans (APP). The agency's APP sets our measurable goals that define what will be accomplished during a fiscal year. These goals represent a level of accomplishment commensurate with the resources requested and subsequently funded<sup>1</sup>, thus creating an integral link between budget and program results. Performance against these goals<sup>2</sup> is reported under targets and is one method of assessing program effectiveness.

ITA's APP details five performance goals that are accompanied by 23 performance measures that focus on outcomes through which the progress toward meeting these goals is to be evaluated. The FY 2005 APP meets the GPRA requirements and is explicitly tied to the President's Management Agenda, the National Export Strategy and the Department of Commerce Strategic Plan. The following chart shows the relationship between the Department of Commerce's (DOC) goals and objectives and ITA's performance goals:



<sup>1</sup> "Resource Requirements Summary Tables" for funding by performance goal.

<sup>2</sup> "Targets and Performance Summary" tables for performance measures that focus planned targets and actual outcomes through which the progress toward meeting goals is to be evaluated.

**International Trade Administration  
FY 2005 Annual Performance Plan**

**Mission Statement**

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

ITA is dedicated to free and fair trade by opening foreign markets through negotiations, promoting trade, delivering export assistance, and ensuring fair competition and compliance with international trade agreements. Even though these continue to be the three primary components of our business, ITA is refocusing its work to strengthen U.S. industry by supporting the manufacturing sector in America. Manufacturing generates 16 percent of the national gross domestic product and directly employs 1.8 million Americans, 14 percent of all workers<sup>3</sup>. Secretary Evans released the Bush Administration's pro-growth manufacturing initiative<sup>4</sup> to enhance economic growth, improve competitiveness and create better paying jobs in the manufacturing sector. ITA is reorganizing its 2,550 employees, stationed in the U.S. and abroad, into five more clearly defined program areas to implement this ambitious new initiative and better equipped existing ITA programs to carry out the President's economic goals.

- ITA is creating an Assistant Secretary for Manufacturing and Services to focus on the needs of American manufacturers and assess the economic impacts of new rules and regulations;
- ITA is consolidating all export promotion functions under a new Assistant Secretary for Trade Promotion and Director General of the U.S. and Foreign Commercial Service whose immediate task will be to accelerate implementation of the President's National Export Strategy to boost U.S. exports and launch an initiative promoting access for America's small and medium-sized manufacturers to global supply chains;

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<sup>3</sup> Under Secretary Grant D. Aldonas prepared testimony before the House Committee on Small Business, April 9, 2003

<sup>4</sup> Secretary Evans launched the Administration's Manufacturing Initiative on March 5, 2003.

- The Assistant Secretary for Market Access and Compliance will continue to ensure that America’s trading partners comply with international trade agreements and develop positions to remove barriers through negotiations and government-to-government strategies; and
- The Assistant Secretary for Import Administration will continue to work extensively with U.S. businesses on a regular basis to help them understand U.S. trade laws related to dumping and foreign government subsidies and act if they are injured by those practices. Import Administration will also oversee an Unfair Trade Practices Team. The new Unfair Trade Practices Team will track, detect and confront unfair competition by monitoring economic data from our global competitors and vigorously investigate evidence of unfair subsidization and production distortions.

One of ITA’s major contributions to the successful implementation of the manufacturing initiative is to make it a priority to open new markets for U.S. manufacturers through the elimination of all industrial tariffs within 10 years for WTO members, and push for new bilateral free trade agreements and a Free Trade Area of the Americas. ITA will work to increase trade opportunities and advance U.S. trade policy positions through our involvement in both the WTO negotiations and through our efforts to expand the NAFTA to a Free Trade Area of the Americas (FTAA). ITA is currently involved in the development or implementation of numerous FTAs including Chile, Singapore, Morocco, and the proposed FTA in the Middle East. The FY 2005 budget includes an increase request to support the Chile and Singapore FTA Secretariats. ITA ensures that the interests of U.S. industry are fully represented during these negotiations. ITA also develops negotiating priorities, recommends tariff negotiation procedures, and identifies and works on a government-to-government basis to overcome non-tariff barriers.

ITA will continue to defend American industry against injurious trade practices by administering the antidumping and countervailing duty laws of the United States in a timely and efficient manner that is consistent with U.S. international obligations. 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 will marshal all the resources at its disposal to level the playing field.

President Bush’s “2002 National Export Strategy” (NES)<sup>5</sup> prepared by the TPCC presented 60 recommendations with an overall goal to ensure that all U.S. companies that are interested in exporting can join the global economy. A major theme of the 2002 NES is expanding the number of U.S. exporters, particularly SMEs, while ensuring that all exporters have the best resources available to take advantage of overseas commercial opportunities.

The TPCC<sup>6</sup> survey of 3,200 small and medium-sized firms, entitled, *Report Card on Trade II*, indicated several opportunities to bolster our support for SMEs. We plan to continue our statutory mandate of assisting SMEs through several key mandated activities. ITA will continue to:

- Identify potential U.S. exporters;
- Provide potential U.S. exporters with advice and information on establishing export businesses;
- Provide U.S. exporters with a broad range of export market information;
- Provide U.S. exporters with information and advice on foreign marketing strategies;
- Provide U.S. exporters with trade leads and foreign country contacts;

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<sup>5</sup> The NES is an annual Congressionally-mandated report as required by the Export Enhancement Act

<sup>6</sup>The TPCC is the statutorily mandated committee composed of 19 federal agencies (see NES report) established to ensure coordinated delivery of export promotion programs and services.

- Help U.S. exporters find reliable sources of business services abroad;
- Help U.S. exporters deal with foreign governments;
- Help coordinate and optimize the efforts of State and local agencies and private organizations which seek to promote United States business interests abroad;
- Use the TP/USFCS domestic and overseas offices as “one-stop shops” able to provide U.S. exporters with information and contacts on all U.S. Government (USG) export promotion and export finance programs; and
- Provide U.S. exporters and export finance institutions with information and assistance on Export-Import (Ex-Im) Bank, Trade and Development Agency (TDA), Overseas Private Investment Corporation and Small Business Administration (SBA) programs.

ITA will consider key recommendations from the Report Card on Trade II.<sup>7</sup> The report indicates that at least 30 percent of the U.S. SMEs that do not currently export have an interest in doing so. Additionally, of those companies that do export, two thirds export to only one market. ITA’s efforts to help companies export to new markets can substantially assist in unlocking billions of dollars worth of new export opportunities. Since exports account for 1 in 14 jobs<sup>8</sup> in the US economy, ITA must strive to expand exports and by FY 2005 work to have exports tied to a greater percentage of jobs in the economy.

### **Unit Cost Measures**

ITA has taken a first step by requesting funds for an ABC Accounting and Management System in order to move towards compliance with U.S. Government regulations and to provide necessary financial service to ITA users, but also to establish unit cost measures. The current financial system, FFS, does not allow individuals or offices to adequately allocate their time and operational costs to business processes and activities. This inflexibility prevents ITA managers from readily identifying how resources are being applied to crosscutting business processes and specific activities that contribute to performance goals and areas of management concern. ITA is currently planning to implement an ABC system to replace the inadequate current system.

### **Program Assessment Rating Tool (PART)**

OMB’s PART review, conducted in FY 2003, was limited to the TP/USFCS (former U.S. and Foreign Commercial Service) program. OMB findings indicated that TP/USFCS program purpose is clear and addresses a specific need, although OMB found that the TP/USFCS program is redundant and duplicative of other federal, state, local or private efforts and that the program has major design flaws. ITA has committed to work with TP/USFCS to arrive at more accurate annual performance targets and is presenting in this document long-term performance measures with ambitious targets. ITA will develop accurate cost data to show how much it costs to provide certain products and services when the proper management systems and activity based accounting structure is in place. This will move TP/USFCS towards a consistently applied pricing and marketing strategy for its services, both domestically and abroad. TP/USFCS must also determine annual and long-term plans that would strategically direct the program towards partial fee funding. ITA is in the process of implementing the recommendations of the ITA User Fee Study. ITA has also committed to establish a system for periodic independent evaluations of sufficient scope and quality or as needed to support program improvements and evaluate effectiveness and relevance to TP/USFCS problems and needs.

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<sup>7</sup> Report Card on Trade II: (also referred to as Kenan Report) Assessing the Effectiveness of U.S. Government Support to Small and Mid-Sized Exporters, June 12, 2002. The study is based on a survey of 3200 small and mid-sized firms, including 1100 exporters and 2100 non-exporters.

<sup>8</sup> U.S. Jobs From Exports, February 2001

## Priorities/Management Challenges

ITA will address several key priorities and management challenges through FY 2005, as follows:

- **Market Information** - One of the most useful services provided by government will continue to be the provision of essential market information to companies. ITA is the leading source of such information, while private sector service providers lead in the more transaction-related services. Although the impact of market information services is inherently more difficult to measure than the impact of services closer to the export transaction, information remains the government's clearest comparative advantage, relative to private providers, and deserves continued emphasis.
- **Overseas Regulations** - ITA will continue to play an important role in helping exporters deal with overseas governments' complex regulations. This role has become increasingly important as exporters explore more challenging markets and as smaller firms increase their export operations.
- **Trade Compliance** - Many of the world's countries are developing increasingly sophisticated techniques to protect their home markets from foreign sales and to provide unwarranted subsidies or other benefits to their firms. ITA will continue to ensure compliance with trade agreements through consultation with foreign governments, quick identification of noncompliance by communicating and establishing a relationship with U.S. exporters, improvement of coordination with other agencies, rapid response to illegal acts by mobilizing strike forces, and close collaboration with the Office of the U.S. Trade Representative (USTR) on enforcement actions.
- **Trade-related SME Support** - The Department of Commerce, through the TPCC and ITA, has strengthened its role as the leading provider of government services to SMEs. During FY 2005, ITA will continue to work towards further consolidation of trade-related SME support within DOC.
- **Web-based Information Delivery** - The Report Card on Trade II study found that government websites were an effective way to provide the information on export markets that companies most value from government. More than a quarter of all exporters reported using the Web to get information on overseas markets (26.2%), and ITA websites were the most commonly used source for this support, accounting for half of all government websites used. ITA will continue to enhance and expand the use of web-based information based on these results. ITA has also taken into account and is proceeding with an extensive effort to ensure that ITA's network architecture and Web infrastructure are safe and secure. This will continue to be a priority as Web-based information delivery expands. ITA will rely more on the Web and alliances with private providers to deliver support domestically, but ITA's worldwide presence in major current markets and promising future markets alike is a unique resource for exporters, and must continue to be strengthened in FY 2005.
- **Enhanced Partnerships** - ITA will explore efforts to effectively leverage and partner more actively and creatively with three key groups of private service providers: shippers (including market leaders such as FedEx and UPS as well as traditional shippers), U.S. wholesalers/export marketing companies, and in-country distributors. These groups are critical to the U.S. export potential, because two-thirds of all small and medium-sized exporters are non-manufacturers.<sup>9</sup>

During FY 2005, ITA will continue to face the difficult balancing act of supporting necessary shifts in foreign policy and security goals while addressing viable opportunities to expand our U.S. market base. ITA's success in maintaining this balance will stem from its ability to integrate efforts to support the President's

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<sup>9</sup> Source: U.S. Department of Commerce, Exporter Data Base

commercial and foreign policy goals to promote freedom and liberty through free trade, while it pursues expanding profitable markets for U.S. goods and services. For this reason, ITA is readily working to reconstruct Iraq and Afghanistan and to bring free trade to Africa and the Middle East.

More can be done to improve ITA's record of success in promoting and expanding export opportunities for U.S. firms. Manufacturing accounts for approximately two-thirds of private research and development expenditures resulting in sustained technological innovations and productivity gains.<sup>10</sup> Yet a total of 2.7 million jobs were lost since manufacturing employment peaked in July 2000.<sup>11</sup> ITA has led a comprehensive look at both the challenges and opportunities facing American manufacturing. Over the past six months, Department of Commerce officials traveled across the country visiting over 20 cities to meet with manufacturers from most every industry in the manufacturing sector to hear their concerns.

No country raised more attention as a source of concern than China with piracy of intellectual property, inadequate access to China's markets, forced transfer of technology from firms launching joint ventures, non-tariff trade barriers and capital markets and currency issues that are largely insulated from free-market pressures. ITA has responded to meet the needs of U.S. firms and their difficulties in China. ITA will issue a manufacturing report during FY 2004 that contains recommendations across many of these issues. A new Assistant Secretary for Manufacturing and Services will serve as the point person in the Administration and within the U.S. Government for manufacturers and act as an effective advocate for the manufacturing sector's competitiveness, among all federal agencies. Consolidation of all Commerce Department export promotion functions under a one Assistant Secretary for Trade Promotion and Director General of the U.S. & Foreign Commercial Service will accelerate the President's NES to boost our exports, particularly to those markets that our negotiators have recently opened to our trade in China. Finally, ITA's Market Access Program and Import Administration will continue to address market access and WTO compliance/accession requirements and seek avenues to correct production related market distorting practices in China. Ensuring that U.S. firms have a fair playing field is a cornerstone of the President's Trade agenda.

## **FY 2005 Program Changes**

*(Dollars in Millions)*

The FY 2005 budget focuses on the resources needed in the upcoming fiscal year that will enable ITA to promote international trade, open foreign markets, ensure compliance with our trade laws and agreements, and support U.S. commercial interest at home and abroad.

	<b>Base (includes reimbursables)</b>		<b>Increase/Decrease</b>	
	FTE	Amount	FTE	Amounts
Manufacturing and Services (former Trade Development)	320	50.4	0	0.0
Market Access and Compliance	273	39.7	2	0.2
Import Administration	407	69.3		
Trade Promotion and U.S. and Foreign Commercial Services (former U.S. and Foreign Commercial Service)	1411	228.8	0	4.5
Executive Direction/Administration	189	36.0	0	0.5

<sup>10</sup> Testimony of Under Secretary Grant Aldonas before the House Committee on Small Business

<sup>11</sup> Washington Post, Government Outlines Aid for Manufacturing, September 16, 2003

## Resource Requirements Summary\*

(Dollars in Millions. Funding amounts reflect total obligations.)

Information Technology (IT)

Full-Time Equivalent (FTE)

<b>Grand Total</b>	<b>FY 2000 Actual</b>	<b>FY 2001 Actual</b>	<b>FY 2002 Actual</b>	<b>FY 2003 Actual</b>	<b>FY 2004 President's Budget</b>	<b>FY 2005 Base</b>	<b>Increase/Decrease</b>	<b>FY 2005 Request</b>
Total Funding	334.0	357.7	376.6	393.7	437.5	424.3	5.2	429.5
Direct	325.0	342.2	365.8	380.9	401.5	388.3	5.2	393.5
Reimbursable	9.0	15.5	11.1	12.8	36.0	36.0	0	36.0
IT Funding	23.8	27.2	25.6	22.5	28.4	26.5	.5	27.0
FTE	2,344	2,286	2,255	2,283	2,599	2,600	2	2,602

\*The amounts published within the FY2003 Performance and Accountability Report (PAR) for ITA's resources by goal were incorrect, due to several errors. The Budget reflects updated funding for each goal. ITA is instituting a number of procedural changes that will improve the accuracy of the data contained in the PAR for FY 2004.

### Skill Summary

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

- In-depth knowledge of international and domestic trade laws and regulations, economics, and commercial diplomacy;
- Understanding of foreign trade practices, trade programs and policies;
- 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 and 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; to identify, analyze, and manage information; 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 service to customers; and
- Project management skills -- to lead and manage projects and contracted work.





## Performance Goal 1: Increase Trade Opportunities for U.S. Firms to Advance the U.S.' International Commercial and Strategic Interests

### Targets and Performance Summary

	FY 2000 Actual	FY 2001 Actual	FY 2002 Actual	FY 2003 Target	FY 2003 Actual	FY 2004 Target	FY 2005 Target
Number of New or Enhanced ITA Partnerships with Public and Private Sector Entities to Promote U.S. Exports	New	New	Not Implemented	50	88	45	45
Trade Policy and Negotiation Advancement	New	New	New	New	New	New	New
Place holder for FY 2004 Measure on Trade and Economic Analysis	New	New	New	New	New	New	New
Dollar exports in targeted products and markets	New	New	\$166.3B	\$160B to \$180B	\$165.6B	\$160B to \$180B	\$170B to \$190B

### Resource Requirements Summary

	FY 2000 Actual	FY 2001 Actual	FY 2002 Actual	FY 2003 Actual	FY 2004 President's Budget	FY 2005 Base	Increase/Decrease	FY 2005 Request
Manufacturing and Services	New	18.6	17.2	18.5	18.7	15.7	0.0	15.7
Market Access and Compliance	New	1.5	1.9	11.9	5.9	4.7	0.	4.7
Import Administration	New	0.0	0.0	0.0	0.0	0.0	0.0	0
Trade Promotion and U.S. and Foreign Commercial Service	New	73.0	62.4	76.3	77.7	78.8	4.5	83.3
Ex. Dir./Administration	New	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Funding	New	93.1	81.5	106.7	102.3	99.2	4.5	103.7
IT Funding	New	7.0	6.6	5.9	7.4	6.9	0.0	6.9
FTE	New	563	463	667	703	703	0.0	703

### Corresponding DOC Strategic Goal

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

General Goal/Objective 1.1: Enhance economic growth for all Americans by developing partnerships with private sector and nongovernmental organization.

### **Rationale for Performance Goal**

Changing economic, technological, and social conditions in the last decade have altered how international trade is conducted. This changing international trading environment presents American exporters with numerous challenges and opportunities such as domestic and international competitiveness, compliance with WTO accession requirements for nations like China, standards, currency and intellectual property issues, as well as transparency and rule-of-law requirements. ITA helps U.S. firms address these challenges and has had significant success in addressing opportunities when they present themselves. For example, ITA has made much progress expanding U.S. exports while supporting U.S. Government foreign policy initiatives. To quote President Bush, "...Free trade is also a proven strategy for building global prosperity and adding to the momentum of political freedom..." By generating U.S. exports, ITA simultaneously supports the development of a stronger market-oriented economic system in areas of the world (for example, Africa, Middle East), contributing both to U.S. economic goals and global stability.

ITA believes in the importance of America's small and medium-sized enterprises to the health of the American economy and to our future. Significant portions of ITA's resources are directed toward ensuring that America's SMEs and manufacturers can compete and win in the global economy. ITA's contribution to the success of the President's Manufacturing Initiative will include a comprehensive look at both the challenges and opportunities facing American manufacturing and the best opportunities for our companies to successfully compete in global markets and supply chains. During the second half of FY 2003, ITA led a comprehensive review of the issues influencing long-term competitiveness of U.S. manufacturing. ITA held round-table discussions in over 20 cities with manufacturers from most every industry in the manufacturing sector, and developed recommendations for private sector action, government initiatives, and further work.

ITA also supports the President's economic program of export expansion by reasserting leadership in international trade through the TPCC. ITA provides analysis, expertise and staff support needed during the negotiations of the FTAA and with other regional agreements with the nations in Central America, Morocco, Australia, and the members of the South African Customs Union. ITA is responsible for advancing Commerce's role in the Doha Development Round of the WTO negotiations, working to lower tariffs on industrial goods that would end the inequities in the current trade regime by ensuring that all WTO members eliminate tariffs on all manufactured goods and gaining access to foreign markets by monitoring the development of tariff, non-tariff and regulatory barriers that could place U.S. firms at a disadvantage in key foreign markets. ITA will seek the removal of trade barriers and continue to promote the development of commercial infrastructure in target markets.

### **Program Increase:**

The FY 2005 budget increase request focuses on the Administration's Capital Cost Sharing Program, which covers Commerce's share in the program. ITA's TP/USFCS has a large overseas presence and the majority of the offices are located in DOS facilities at U.S. Consulates and Embassies.

Capital Security Cost Sharing Program -- \$4,539,000, 0 FTE

**Measure 1a: Number of New or Enhanced ITA Partnerships with Public and Private Sector Entities to Promote U.S. Exports**

	<b>FY 2000</b>	<b>FY 2001</b>	<b>FY 2002</b>	<b>FY 2003</b>	<b>FY 2004</b>	<b>FY 2005</b>
Target	New	New	36	50	45	45
Actual			Not Implemented	88		
Met/Not Met				Met		

**Explanation of Measure**

To identify U.S. industry trade policy needs, ITA manages a number of public/private partnership activities -- 17 Industry Sectors and four Functional Advisory Committees on Trade Policy Matters, a Committee of Chairs, and a Trade Advisory Center -- all geared to ensure that U.S. business needs are considered in trade policy decision-making. This performance measure quantifies ITA's efforts to form new partnerships or enhance existing partnerships with public and private sector entities to help achieve ITA's goal to increase trade opportunities for U.S. firms. A partnership is a new or enhanced relationship codified in writing through a memorandum or letter of understanding or agreement, reimbursable agreement, grant, cooperative agreement, or contract. A new partnership is defined as being with an entity with which ITA has not had a relationship in the preceding three years. An enhanced partnership is a partnership that is changed so that it more positively affects the achievement of ITA goals and objectives.

**FY 2004 Target**

Target for FY 2004 has been revised downward based on the incoming information from program managers. The performance measure has been implemented in FY 2003 and all existing and new partnerships have been included in the actual data creating a baseline for measuring future performance. Currently, no evidence exists to suggest that the partnerships will grow at an accelerating pace since some partnerships may be renewed without being enhanced. In fact, the performance measure may stabilize, at or perhaps below current projections, depending on the state of the economy and/or the stability or instability of world affairs. To date, no useful leading economic, political, or programmatic indicator has surfaced that anticipates when industry and government will conceive and execute partnership agreements.

**FY 2005 Target**

The target established for FY 2005 is based on the FY 2003 actual performance and emerging trends that point toward a static number.

**Measure 1b: Trade Policy and Negotiation Advancement**

	<b>FY 2000</b>	<b>FY 2001</b>	<b>FY 2002</b>	<b>FY 2003</b>	<b>FY 2004</b>	<b>FY 2005</b>
Target	New	New	New	New	New	New
Actual						
Met/Not Met						

**FY 2004 Target**

Performance measure implementation will begin in the second quarter.

**FY 2005 Target**

Target has not been developed due to lack of data.

### Measure 1c: Placeholder for New Measure Dealing with Trade and Economic Analysis

ITA has also identified an approach to measure trade and economic analysis work performed by ITA employees. The new performance measure, “Trade and Economic Analysis,” will be refined and tested in FY 2004.

### Measure 1d: Dollar Exports in Targeted Products and Markets

	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005
Target	New	New	New	\$160B to \$180B	\$160B to \$180B	\$170B to \$190B
Actual			\$166.3B	\$165.6B		
Met/Not Met				Met		

#### Explanation of Measure

Exports have accounted for almost one-quarter of U.S. economic growth during the past decade<sup>12</sup>. ITA promotes U.S. business abroad, supports trade policy development, ensures compliance with trade agreements, and creates market access through trade negotiations and trade agreements. This measure tracks dollar value of exports generated by U.S. businesses in environment, services, telecommunications and energy sectors, both in total and for individual foreign markets that are attributable to ITA programs.

#### FY 2005 Target

Increased FY 2005 target assumes greater world economic growth and continued improvement in U.S. productivity and competitiveness.

#### Program Evaluation

ITA undertook a customer satisfaction survey. One of the issues addressed by the survey is customers satisfaction with ITA’s work in facilitating difficult negotiations that deal with fair trade and market access with foreign governments Results were calculated using the same methodology as the American Customer Satisfaction Index (ACSI), which is a uniform, cross-industry measure of satisfaction with goods and service available to U.S. consumers. The results show that customer service is a relative strength for ITA. ITA’s score of 74 out of a possible 100 is a strong score. ITA is optimistic in improving customers’ perceptions and better manage expectations where efforts have failed to meet customers desires.

#### Cross-cutting Activities

##### Intra-Department of Commerce

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

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<sup>12</sup> Radio Address of the President to the Nation, April 27, 2002

### **Other Government Agencies**

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

### **Government/Private Sector**

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

### **External Factors and Mitigation Strategies**

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

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

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

### Targets and Performance Summary

	FY 2000 Actual	FY 2001 Actual	FY 2002 Actual	FY 2003 Target	FY 2003 Actual	FY 2004 Target	FY 2005 Target	FY 2006-FY 2007
Percentage of Undertaken Advocacy Actions Completed Successfully	New	New	11.8%	12% to 15%	10%	10% to 15%	10% to 15%	N/A
Dollar Value of Completed Advocacies (U.S. Export Content)	New	New	\$8.64B	\$4B to \$6B	\$5.9B	\$4B to \$6B	\$4B to \$6B	N/A
Number of U.S. Exporters Entering New Market*	4,502	5,386	5,740	6,500	6,278	6,200 to 6,300	6,400 to 6,500	9,800 to 10,000
Number of U.S. Firms Exporting for the First Time*	673	742	699	800	896	880 to 900	920 to 940	860 to 880
Number of Export Transactions Made as a Result of ITA Involvement*	New	11,160	12,178	13,500	14,090	14,000 to 14,500	14,300 to 14,800	16,000
Percentage Funded* of TP/USFCS fee-programs	New	New	New	New	New	1%	2%	3%

\*Designated as long-term measures.

### Resource Requirements Summary

	FY 2000 Actual	FY 2001 Actual	FY 2002 Actual	FY 2003 Actual	FY 2004 President's Budget	FY 2005 Base	Increase/Decrease	FY 2005 Request
Manufacturing and Services	28.7	17.9	21.4	29.0	18.2	15.8	0.0	15.8
Market Access and Compliance	2.4	1.5	1.9	2.3	3.3	2.7	0.0	2.7
Import Administration	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Trade Promotion and U.S. and Foreign Commercial Service	93.1	58.4	52.0	65.9	72.6	73.3	0.0	73.3
Ex. Dir./Administration	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Total Funding</b>	<b>124.0</b>	<b>77.8</b>	<b>75.3</b>	<b>97.2</b>	<b>94.1</b>	<b>91.8</b>	<b>0.0</b>	<b>91.8</b>
IT Funding	8.9	5.9	5.6	3.8	4.8	4.5	0.0	4.5
FTE	904	468	424	496	488	488	0.0	488

**Corresponding DOC Strategic Goal**

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

General Goal/Objective 1.1: Enhance economic growth for all Americans by developing partnerships with private sector and nongovernmental organization.

**Rationale for Performance Goal**

The health of the American economy depends on the America’s SMEs. ITA mandate is to create an environment in which all enterprises, including SMEs, can flourish. In order to achieve this, ITA seeks to increase export opportunity awareness among U.S. companies by proactively identifying potential exporters who need assistance, leveraging electronic and traditional media, centralizing relationships with customers, and developing alliances and partnerships to deliver export messages. ITA’s domestic offices are located to capitalize on high export activity areas identified by trade patterns and to facilitate aggressive outreach to traditionally under-served rural and minority communities.

ITA focuses on SMEs with fewer than 500 employees by tailoring existing products and services to their needs; providing technical assistance and matchmaking capability using e-commerce and the Internet; expanding established exporters into additional markets; and coordinating government-wide, collaborative advocacy efforts through the TPCC. The chief aim is to consistently deliver a complete package of export assistance to U.S. businesses throughout the country in order to increase the number of U.S. exporting companies as well as increase the value of U.S. exports to new markets. ITA is the only nationwide source of one-on-one export counseling assistance for SMEs.

Manufacturing sector faces one of the most significant challenges. The downturn in manufacturing output and employment led the creation of the Administration’s Manufacturing Initiative. ITA will work to strengthen market forces and make markets more competitive by reducing or eliminating factors that contribute to inefficiencies and higher costs, ensuring that new technologies are diffused and adopted as rapidly as possible, addressing unfair foreign subsidies, and opening closed markets, especially the expanding markets of the developing world. ITA will accelerate implementation of the recommendations contained in the President’s National Export Strategy to boost exports. ITA will launch an initiative promoting access for America’s SME manufacturers to global supply chains and will expedite implementation of the standards initiative to ensure that American manufacturers are export ready to sell into those global supply chains.

**Program Increase:**

ITA’s reorganization, which creates an Assistant Secretary for Manufacturing and Services, can be accomplished within current resources.

**Measure 2a: Percentage of Undertaken Advocacy Actions Completed Successfully**

	<b>FY 2000</b>	<b>FY 2001</b>	<b>FY 2002</b>	<b>FY 2003</b>	<b>FY 2004</b>	<b>FY 2005</b>
Target	New	New	15% to 20%	12% to 15%	10% to 15%	10% to 15%
Actual			11.8%	10%		
Met/Not Met			Not Met	Not Met		

**Explanation of Measure**

This performance measure captures information about the effectiveness of ITA's advocacy efforts by measuring the percentage of successful advocacy awards made to U.S. firms or interests during a fiscal year. The success of America's export community depends on ITA addressing the challenges in the trade environment and meeting the expectations and needs of ITA's customers. 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. 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 2004 Target**

Target adjusted downward to reflect actual performance in FY 2003. The world economic recession, SARS, placed U.S. companies under increasing pressure both in terms of the competitiveness of their exports and in terms of the competition they faced here at home.

**FY 2005 Target**

FY 2005 target is based on the historical information maintained by the ITA's Advocacy Center. The target depends on domestic and international economic conditions. As policies that promote expanding overseas markets change due to economic changes, ITA will review and adjust targets as appropriate.

**Measure 2b: Dollar Value of Completed Advocacies (U.S. Export Content)**

	<b>FY 2000</b>	<b>FY 2001</b>	<b>FY 2002</b>	<b>FY 2003</b>	<b>FY 2004</b>	<b>FY 2005</b>
Target	New	New	\$3B to \$4B	\$4B to \$6B	\$4B to \$6B	\$4B to \$6B
Actual			\$8.64B	\$5.9B		
Met/Not Met			Met	Met		

**Explanation of Measure**

This measure captures information on the effectiveness of ITA's advocacy efforts. It measures the estimated dollar value of U.S. export content of foreign contracts signed or awarded to U.S. companies during a fiscal year. The success of the United State's export community depends upon ITA addressing the challenges in the trade environment and meeting the expectations and needs of its customers. ITA's Advocacy Center helps U.S. exporters win foreign government procurement contracts and facilitates U.S. and Foreign Commercial Services (Trade Promotion) and deal making, especially where U.S. firms are bidding on major projects overseas.

**FY 2005 Target**

The FY 2005 target is based on historical information maintained by the ITA's Advocacy Center. The target depends on domestic and international economic conditions. As policies that promote expanding overseas markets change due to economic changes, ITA will review and adjust targets as appropriate.

**Measure 2c: Number of U.S. Exporters Entering New Market (Long-Term Measure)**

	<b>FY 2000</b>	<b>FY 2001</b>	<b>FY 2002</b>	<b>FY 2003</b>	<b>FY 2004</b>	<b>FY 2005</b>	<b>FY 2006-FY 2007</b>
Target	New	4,540	5,900	6,500	6,200 to 6,300	6,400 to 6,500	9,800 to 10,000
Actual	4,502	5,386	5,740	6,278			
Met/Not Met		Met	Not Met	Not Met			



### Explanation of Measure

This performance measure helps to assess ITA's success bringing in U.S. exporters into a new overseas market and to measure ITA's effectiveness in promoting trade. ITA 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. Another criterion of the definition for this measure is that 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.

As a result of the OMB PART review, ITA has developed a measure that focuses on long-term outcomes and meaningfully reflects the purpose of the program. This performance measure builds on the "Number of exporters entering a new market" by expanding the planning targets into FY 2007. By FY 2007, ITA will increase the baseline of the number of U.S. firms entering a new market by 20% of the total baseline of firms exporting to only one market. ITA has targeted 40,000 firms to enter more than one market over the next six years forming a baseline of 200,000 SMEs that currently export to only one market.

### FY 2004 Target

Target has been revised downward to reflect a more stringent verification and validation system that will be employed in FY 2004 for gathering actual data.

### FY 2005 Target

Increased FY 2005 target assumes greater world economic growth and continued improvement in U.S. productivity and competitiveness.

### FY 2006 through FY 2007 Targets

Targets based on current performance estimates.

### Measure 2d: Number of U.S. Firms Exporting for the First Time (Long-Term Measure)

	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006-FY 2007
Target	New	679	800	800	880 to 900	920 to 940	860 to 880
Actual	673	742	699	896			
Met/Not Met		Met	Not Met	Met			

### Explanation of Measure

ITA 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 enables them to export. ITA 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 to assess ITA's success in bringing in new U.S. businesses into exporting and to measure ITA's effectiveness in promoting trade. Another criterion of the definition for this measure is that 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. ITA helps identify and qualify agents, distributors, and end users. ITA provides access to timely, product-specific market information and country-specific information about appropriate distribution channels and information and assistance in the critical area of export financing and payment

considerations in order to broaden and deepen U.S. firms' participation in exporting. ITA meets other important needs by organizing market-sensitive trade events and, in a growing number of cases, effective overseas advocacy for U.S. firms' business interests.

As a result of the PART review, ITA has developed a measure that focuses on long-term outcomes and meaningfully reflects the purpose of the program. This performance measure builds on the “Number of U.S. firms exporting for the first time” by expanding the planning targets into FY 2007. By 2007, ITA will increase the baseline of the number of U.S. firms exporting for the first time by 1% of the total exporting base. ITA has targeted 5,000 firms to begin exporting over the next six years from a baseline of 400,000 SMEs that currently do not export.

**FY 2004 Target**

Target has been revised upward. The aim is to consistently deliver a complete package of export assistance to U.S. businesses throughout the country in order to increase the number of U.S. exporting companies.

**FY 2005 Target**

Increased FY 2005 target assumes greater world economic growth and continued improvement in U.S. productivity and competitiveness.

**FY 2006 through FY 2007 Targets**

Targets based on current performance estimates.

**Measure 2c: Number of Export Transactions Made as a Result of ITA Involvement (Long-Term Measure)**

	<b>FY 2000</b>	<b>FY 2001</b>	<b>FY 2002</b>	<b>FY 2003</b>	<b>FY 2004</b>	<b>FY 2005</b>	<b>FY 2006-FY 2007</b>
Target	New	9,253	12,300	13,500	14,000 to 14,500	14,300 to 14,800	16,000
Actual		11,160	12,178	14,090			
Met/Not Met		Met	Not Met	Met			

**Explanation of Measure**

The number of export transactions made as a result of ITA involvement measures ITA’s effectiveness in increasing trade opportunities for U.S. exporters. This is performance measure captures information on the number of export transactions executed by U.S. firms that resulted directly from ITA’s counseling, matchmaking, research, information products, or other TP/USFCS activities. An export transaction occurs when ITA facilitates an actual verifiable export sale, shipment of goods or delivery of services, by the client and where the direct link between the assistance provided and the resulting outcome is clearly established for each export action claimed. A transaction also takes place when ITA 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. A transaction can also include helping a U.S. firm avoid harm or loss, for example, by helping it obtain payment or resolve some other kind of trade dispute.

As a result of the PART review, ITA has developed a measure that focuses on long-term outcomes and meaningfully reflects the purpose of the program. This performance measure builds on the “Number of export transactions made as a result of ITA involvement” by expanding the planning targets into FY 2007. By 2007, ITA will increase the number of transactions made as a result of ITA’s involvement by 43%. In FY 2001, ITA completed 11,160 transactions and by 2007 ITA has targeted 16,000 transactions. This constitutes a 43% increase over 2001.

**FY 2004 Target**

Target has been revised downward to reflect a more stringent verification and validation system that will be employed in FY 2004 for gathering actual data.

**FY 2005 Target**

Increased FY 2005 target assumes greater world economic growth and continued improvement in U.S. productivity and competitiveness.

**FY 2006 through FY 2007 Targets**

Targets based on estimates presented in the PART appeal and agreed to by the ITA management and OMB.

**Measure 2f: Percentage of TP/USFCS' Programs that are Fee Funded (Long-Term Measure)**

	<b>FY 2001</b>	<b>FY 2002</b>	<b>FY 2003</b>	<b>FY 2004</b>	<b>FY 2005</b>	<b>FY 2006 – FY 2007</b>
Target	New	New	New	1%	2%	3%
Actual						
Met/Not Met						

**Explanation of Measure:**

In FY 2003, ITA undertook a PART review of the TP/USFCS. As a result of the review, ITA has developed a long-term measure to capture information on TP/USFC fee funding progress. ITA has determined that by 2007, three percent of the TP/USFCS programs will be fee funded.

**Targets:**

This is a new performance measure. Targets based on estimates presented in the PART appeal and agreed to by the ITA management and OMB.

**Program Evaluation**

OMB's PART review, conducted in FY 2003, was limited to the TP/USFCS program. OMB findings indicated that TP/USFCS program purpose is clear and addresses a specific need, although OMB's findings also pointed out that the TP/USFCS program is redundant and duplicative of other federal, state, local or private efforts and that the program has major design flaws. ITA has committed to work with TP/USFCS to arrive at more accurate annual performance targets and is presenting in this report long-term performance measures with ambitious targets. ITA will develop accurate cost data to show how much it costs to provide certain products and services. This will move TP/USFCS towards a consistently applied pricing and marketing strategy for its services, both domestically and abroad. ITA is in the process of implementing the recommendations of the ITA User Fee Study that will have an impact on the TP/USFCS' fee funding program. Additionally, ITA has committed to establish a system for periodic independent evaluations of sufficient scope and quality or as needed to support program improvements and evaluate effectiveness and relevance to TP/USFCS problems and needs.

## 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.
- National Oceanic and Atmospheric Administration (NOAA)--to coordinate trade initiatives with the NOAA's environmental programs.

### **Other Government Agencies**

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

### **Government/Private Sector**

District Export Councils (DECs)--to provide experienced, professional advice and guidance to exporting firms, ITA coordinates a private sector network of DECs. DECs are councils of leaders from the local business community, appointed by the Secretary of Commerce, whose knowledge of international business provides a source of professional advice and support for local firms and the local ITA export assistance centers. Currently there are 56 DECs composed of more than 1,500 members.

## External Factors and Mitigation Strategies

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

ITA developed and is deploying useful Internet technologies to enable SMEs to have low-cost access to online information on overseas markets and export services available through the U.S. Government as one approach to minimize external factors. ITA's commercial officers, stationed in 80 countries, provide key information to the U.S. business community on best prospects for U.S. exporters in various countries. Through more than 100 domestic locations, 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.

ITA is planning to establish a new Assistant Secretary of Commerce for Manufacturing and Services to serve as the point person in the Administration and within the U.S. Government for manufacturers and as an effective advocate for the manufacturing sectors' competitiveness. Secondly, ITA plans to establish an Unfair Trade Practices Team to track, detect, and confront unfair competition before it injures an industry here at home. Our goal is to focus on those trading practices that are likely to have the biggest impact on our manufacturers and ensure that they are eliminated, rather than leaving small and medium-sized manufacturers in the U.S. with costly trade litigation as the only possible means of addressing the unfair trade practices they face in the marketplace. Thirdly, ITA will create an Assistant Secretary for TP/USFCS to boost our exports, particularly to those markets that our negotiators have recently opened to our trade like China.

## Performance Goal 3: Ensure Fair Competition in International Trade

### Targets and Performance Summary

	FY 2000 Actual	FY 2001 Actual	FY 2002 Actual	FY 2003 Target	FY 2003 Actual	FY 2004 Target	FY 2005 Target
Percentage of Antidumping or Countervailing Duty Cases Completed on Time	New	New	100%	100%	100%	100%	100%
Number of Market Access and Compliance Cases Initiated	New	New	253	180 to 210	144	150 to 160	160 to 170
Number of Market Access and Compliance Cases Concluded	New	New	New	30 to 40	158	70 to 80	90 to 100

### Resource Requirements Summary

	FY 2000 Actual	FY 2001 Actual	FY 2002 Actual	FY 2003 Actual	FY 2004 President's Budget	FY 2005 Base	Increase/Decrease	FY 2005 Request
Manufacturing and Services	6.4	6.6	6.9	4.4	5.7	4.8	0.0	4.8
Market Access and Compliance	17.6	18.6	24.2	19.3	31.2	24.5	0.2	24.7
Import Administration	31.3	33.0	40.9	40.3	59.7	62.1	0.0	62.1
Trade Promotion and U.S. and Foreign Commercial Service	4.0	4.1	20.8	21.8	20.8	21.0	0.0	21.0
Ex.Dir./Administration	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Funding	59.0	62.3	92.8	85.8	117.4	112.4	0.2	112.6
IT Funding	3.7	4.9	4.6	6.5	8.2	7.7	0.0	7.7
FTE	378	418	571	488	713	713	2	715

### Corresponding DOC Strategic Goal

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

General Goal/Objective 1.1: Advance responsible economic growth and trade while protecting American Security.

### **Rationale for Performance Goal**

ITA is committed to building a rules-based trading system in which international trade is both free and fair for American firms and workers by combating dumping, where foreign goods are “dumped” at less than market value, and subsidy of imports and ensuring compliance with trade agreements. ITA 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. ITA defends American industry against injurious trade practices by administering the antidumping (AD) and countervailing duty (CVD) laws of the U.S. ITA deploys attachés to foreign locations to educate foreign governments and businesses about U.S. AD/CVD laws and supports U.S. AD/CVD proceedings in foreign locations. ITA 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.

ITA tracks crucial market access and compliance problems to ensure timely engagement and resolution. Cases are classified as information requests, compliance (violation of a multilateral or bilateral trade agreement), noncompliance market access (market barriers other than compliance problems preventing or limiting a U.S. firm or industry from market entry or expansion), or commercial disputes (a U.S. company encountering problems with an existing transaction or venture). As the volume of world trade and investment expands and more countries enter into multilateral and bilateral trade agreements with the U.S., ITA ensures compliance with trade agreements through consultation with foreign governments, quick identification of noncompliance by communicating and establishing a relationship with U.S. exporters, improvement of coordination with other agencies, rapid response to illegal acts by mobilizing strike forces, and close collaboration with the USTR on enforcement actions. ITA’s Trade Compliance Center monitors trade agreements for implementation by foreign governments and for identification of compliance problems.

The President is deeply committed to free and fair trade, which provides a level playing field and unfettered access for U.S. manufacturers to global markets. In support of the Manufacturing Initiative, ITA will track, detect and confront unfair competition by monitoring economic data from our global competitors and vigorously investigate evidence of unfair practices. The experts of ITA’s Unfair Trade Practices Team will monitor economic data from global competitors and vigorously investigate evidence of unfair practices. American companies are willing to compete, on even terms with any country in the world, but will not stand for unfair competition. ITA is going to aggressively target unfair trade practices wherever they occur.

### **Program Increase:**

The United States has concluded FTAs with Singapore and Chile. Each agreement calls for the establishment of a dispute settlement mechanism, or Secretariat, in each country. The Secretariat will provide administrative support for dispute settlement proceedings related to disputes brought by industry in each country on possible violations of the terms of the agreement

Free Trade Agreements Secretariats -- \$200,000, 0 FTE

### **Measure 3a: Percentage of AD/CVD Cases Completed On Time**

	<b>FY 2000</b>	<b>FY 2001</b>	<b>FY 2002</b>	<b>FY 2003</b>	<b>FY 2004</b>	<b>FY 2005</b>
Target	New	New	100%	100%	100%	100%
Actual			100%	100%		
Met/Not Met			Met	Met		

**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.

ITA has an unparalleled record of timely completion of casework. The completion of cases within the statutory deadlines is especially critical during a year when our receipt of AD/CVD cases from domestic industry rises.

**FY 2005 Target**

ITA has developed the FY 2005 target based on the data maintained by IA. The planned target reflects the percentage of antidumping/countervailing duty cases to be completed by the unit.

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

	<b>FY 2000</b>	<b>FY 2001</b>	<b>FY 2002</b>	<b>FY 2003</b>	<b>FY 2004</b>	<b>FY 2005</b>
Target	New	New	New	180 to 210	150 to 160	160 to 170
Actual			253	144		
Met/Not Met				Not Met		

**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 is strengthened, and other foreign regulatory measures are implemented that have a negative impact on ITA 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. This measure holds tremendous promise for ITA as the agency proceeds in the Doha round of trade negotiations. The new WTO round will likely focus on issues impacting developing nations. Lessons learned from compliance cases initiated will enable our negotiators to have a better perspective on key issues in the developing world.

**FY 2005 Target**

The FY 2005 target is based on the reports received in FY 2003. Targets are affected by world economy, i.e., less business activities result in fewer market access and trade compliance problems.



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

	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005
Target	New	New	New	30 to 40	70 to 80	90 to 100
Actual			Not Available	158		
Met/Not Met				Met		

#### 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 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 2005 Target

Target is based on workload information collected since the implementation of the measure in FY 2003 and projected increased focus on market access and trade compliance activities.

#### Program Evaluation

The FY 2003 ITA-wide Customer Satisfaction Survey preliminary recommendation includes focusing of ITA work on the most critical effort of helping customers resolve market access problems, eliminate compliance problems and keep foreign markets opened to U.S. exports. ITA scored 74 out of possible 100 on obtaining and resolving fair trade/ market access issues. ITA needs to manage customer expectations better, to ensure customers understand what ITA can provide to them.

#### Crosscutting Activities

##### Intra-Department of Commerce

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

##### Other Government Agencies

- USTR--to work with the USTR to develop strategies for solving market access disputes and to participate with USTR in major trade negotiations.
- International Trade Commission--in an AD/CVD case, ITA conducts an investigation and the International Trade Commission concurrently conducts the industry injury investigation. If both ITA’s and the International Trade Commission’s investigations result in affirmative determination, then ITA issues an AD/CVD order to the U.S. Customs Service, which results in a tariff rate adjustment.
- U.S. Bureau of Customs and Border Protection (CBP) and Treasury Department--because the AD/CVD law requires collection of offsetting duties at the time merchandise enters the country, ITA communicates regularly with the CBP to ensure the prompt and accurate implementation of ITA’s decisions.

The CBP then collects cash deposits and final duty assessments. ITA responds to inquiries from the CBP headquarters and port offices regarding the scope and potential evasion of AD/CVD orders, as well as other enforcement concerns.

- Treasury Department--to monitor subsidy-related commitments contained in the International Monetary Fund's stabilization packages.
- Department of State--in AD/CVD proceedings, ITA verifies information provided by foreign governments and companies in those countries. ITA works closely with the Department of State to obtain country clearances, arrange meetings, make necessary trip arrangements, and obtain pertinent information on subsidy enforcement issues. ITA works on a daily basis with U.S. embassies abroad and State Department economic officers and the Department of Commerce's U.S. and Foreign Commercial Service.
- 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.

### **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 shocks 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 promote expanding overseas markets for U.S. firms and workers.

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

As part of ITA's reorganization, ITA plans to establish an Unfair Trade Practices Team to track, detect, and confront unfair competition before it injures an industry in the U.S. Many of the legal remedies available to counter unfair trade practices are costly, particularly for small and medium-sized manufacturers. ITA's goal is to focus on those trading practices that are likely to have the biggest impact on our manufacturers and ensure that they are eliminated, rather than leave SMEs manufacturers in the U.S. with costly trade litigation as the only possible means of addressing the unfair trade practices they face in the marketplace. The new Unfair Trade Practices Team will track, detect and confront unfair competition by monitoring economic data from our global competitors and vigorously investigate evidence of unfair subsidization and production distortions.

## Performance Goal 4: Improve Customer and Stakeholder Satisfaction

### Targets and Performance Summary

	FY 2000 Actual	FY 2001 Actual	FY 2002 Actual	FY 2003 Target	FY 2003 Actual	FY 2004 Target	FY 2005 Target
Customer Satisfaction with ITA's Products or Services	New	New	New	66 to 70	70	70	70
Customer Perception of Ease of Access to Export and Trade Information and Data	New	New	New	60 to 80	74	74	74
Level of Awareness of ITA Products and Services	New	New	New	3.5 mean (70)	77%	77%	77%
Number of U.S. Exporter Activities Undertaken per Customer Surveyed	New	New	New	2	1	1	1
Employee Job Satisfaction	New	New	Not Implemented	3.5 mean	Not Implemented	Discontinued	Discontinued
Number of Customers Acquired through Proactive ITA Efforts	New	New	New	1,000	Not Implemented	Discontinued	Discontinued

### Resource Requirements Summary

	FY 2000 Actual	FY 2001 Actual	FY 2002 Actual	FY 2003 Actual	FY 2004 President's Budget	FY 2005 Base	Increase/Decrease	FY 2005 Request
Manufacturing and Services	New	10.0	12.5	17.7	8.5	7.2	0.0	7.2
Market Access and Compliance	New	2.9	3.8	5.9	5.0	3.9	0.0	3.9
Import Administration	New	3.9	4.6	5.0	6.6	6.9	0.0	6.9
Trade Promotion and U.S. and Foreign Commercial Service	New	31.3	31.3	29.6	30.7	31.1	0.0	31.1
Ex.Dir./Administration	New	12.3	13.3	23.2	32.0	33.0	0.5	33.5
Total Funding	New	60.4	65.5	81.4	82.8	82.1	0.5	82.6
IT Funding	New	4.5	4.2	4.1	5.1	4.3	0.5	4.8
FTE	New	436	442	453	481	481	0.0	481

### Corresponding DOC Strategic Goal

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

General Goal/Objective 1.1: Enhance economic growth for all Americans by developing partnerships with private sector and nongovernmental organization.

**Rationale for Performance Goal**

In support of the Administration’s vision for government that is client-oriented, ITA is committed to improving both customer and stakeholder satisfaction. ITA’s customers are U.S. businesses. U.S. firms expressed several needs for enhanced products and service offerings and service delivery capabilities from ITA to export more successfully in a fair trade environment. U.S. businesses want on-line customized information products and simplified access to ITA services. ITA cannot always address the needs of its customers, as a single agency, but ITA often leverages support from other agencies, both public and private, to meet its customers’ needs. Other government agencies frequently join ITA in its efforts to promote trade or expand market access. ITA also works with nongovernmental organizations such as trade groups, or other private sector organizations to deliver its mission and to address the needs of U.S. businesses.

ITA’s policy and promotion efforts, ranging from information to hands-on assistance, help SMEs through every stage of the export process. ITA promotes the use of technology to speed up access to relevant information for customer and service staff and assesses the effectiveness of its products and services in meeting customer needs. Collectively, these efforts assure timely, responsive, high-quality service to the customers and stakeholders, promote continuing program improvement, and ensure efficient operations. The success of ITA efforts depends upon effectively addressing the challenges in the trade environment, but also meeting the expectations and needs of its stakeholders and customers.

**Program Increase:**

The FY 2005 “Activity-Based Cost Accounting and Management System” budget increase request will enable ITA to fully comply with U.S. Government regulations and to provide necessary financial service to ITA users.

Activity-Based Cost Accounting and Management System -- \$500,000, 0 FTE

**Measure 4a: Customer Satisfaction with the Quality of ITA’s Products or Services**

	<b>FY 2000</b>	<b>FY 2001</b>	<b>FY 2002</b>	<b>FY 2003</b>	<b>FY 2004</b>	<b>FY 2005</b>
Target	New	New	New	66 to 70	70	70
Actual				70		
Met/Not Met				Met		

**Explanation of Measure**

U.S. exporters have expressed needs for specialized, customized products, which are provided quickly and accurately and are consistently updated. This new performance measure tracks the satisfaction of ITA’s customers with the products and services they receive. ITA will use the survey data to improve the quality of its products and services. Taken together, ITA’s efforts must assure timely, responsive, and high-quality service to the business community that promotes the ability of U.S. customers to export and thus increases U.S. market share.

**FY 2004 Target**

FY 2004 target retained at the FY 2003 level. ITA's long-term organization-wide survey strategy is currently under development. In the meantime, ITA plans to conduct a bi-annual customer satisfaction survey and consequently, to populate ITA's customer value performance measures every other year. The bi-annual cycle was selected to minimize the burden on ITA's customers, reduce the costs of conducting an annual survey, and to provide time to pursue change based on survey findings and realize results which can then actually be measured in the next survey. In summary, ITA plans on an ongoing basis to conduct a survey bi-annually, implement the survey results in the off-year (2004), and to measure its progress and any increases in customer satisfaction (2005).

**FY 2005 Target**

FY 2005 target retained at the FY 2003 level. ITA plans to conduct a customer satisfaction survey and measure its progress and any increases in customer satisfaction in FY 2005.

**Measure 4b: Customer Perception of Ease of Access to Export and Trade Information and Data**

	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005
Target	New	New	New	60 to 80	74	74
Actual			Not Implemented	74		
Met/Not Met				Met		

**Explanation of Measure**

ITA continues to enhance its product and service delivery to U.S. exporters. The “customer perception of ease of access to export and trade information and data” 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, we hope to increase the timeliness and efficiency of service delivery to U.S. businesses and improve the effectiveness of the provision of information and data for persons with disabilities. ITA believes that all customers should be able to obtain export and trade information and data quickly, accurately, and on first contact from courteous employees.

**FY 2004 Target**

FY 2004 target retained at the FY 2003 level. ITA's long-term organization-wide survey strategy is currently under development. In the meantime, ITA plans to conduct a bi-annual customer satisfaction survey and consequently, to populate ITA's customer value performance measures every other year. The bi-annual cycle was selected to minimize the burden on ITA's customers, reduce the costs of conducting an annual survey, and to provide time to pursue change based on survey findings and realize results which can then actually be measured in the next survey. In summary, ITA plans on an ongoing basis to conduct a survey bi-annually, implement the survey results in the off-year (2004), and to measure its progress and any increases in customer satisfaction (2005).

**FY 2005 Target**

FY 2005 target retained at the FY 2003 level. ITA plans to conduct a customer satisfaction survey and measure its progress and any increases in customer satisfaction in FY 2005.

**Measure 4c: Customer Value: Level of Awareness of ITA Products and Services**

	<b>FY 2000</b>	<b>FY 2001</b>	<b>FY 2002</b>	<b>FY 2003</b>	<b>FY 2004</b>	<b>FY 2005</b>
Target	New	New	New	3.5 mean (70)	77%	77%
Actual			Not Implemented	77%		
Met/Not Met				Met		

**Explanation of Measure**

ITA is committed to performance and accountability and this measure directly supports the ITA performance goal of improving customer and stakeholder satisfaction to ensure that ITA’s potential customers are informed of new and existing products and services and their benefits. This measure addresses awareness and assesses if the potential customer knows about ITA’s products and services. It measures if a customer understands the benefits of using our products or services and measures how effective ITA is in seeking out potential customers.

**FY 2004 Target**

FY 2004 target retained at the FY 2003 level. ITA's long-term organization-wide survey strategy is currently under development. In the meantime, ITA plans to conduct a bi-annual customer satisfaction survey and consequently, to populate ITA's customer value performance measures every other year. The bi-annual cycle was selected to minimize the burden on ITA's customers, reduce the costs of conducting an annual survey, and to provide time to pursue change based on survey findings and realize results which can then actually be measured in the next survey. In summary, ITA plans on an ongoing basis to conduct a survey bi-annually, implement the survey results in the off-year (2004), and to measure its progress and any increases in customer satisfaction (2005).

**FY 2005 Target**

FY 2005 target retained at the FY 2003 level. ITA plans to conduct a customer satisfaction survey and measure its progress and any increases in customer satisfaction in FY 2005.

**Measure 4d: Number of U.S. Exporter Activities Undertaken per Customer Surveyed**

	<b>FY 2000</b>	<b>FY 2001</b>	<b>FY 2002</b>	<b>FY 2003</b>	<b>FY 2004</b>	<b>FY 2005</b>
Target	New	New	New	2	1	1
Actual				1		
Met/Not Met				Not Met		

**Explanation of Measure**

The number of U.S exporter activities undertaken per customer surveyed is a performance measure that supports ITA’s goal to increase trade opportunities for U.S. firms. The first survey will approximate the measure while a more accurate instrument to establish a baseline will be issued during FY 2003. The survey captures information on the number of export activities that customers report having taken as a result of ITA’s service to those customers. The information collected would cover the period after the first year of receiving ITA’s assistance.

**FY 2004 Target**

FY 2004 target retained at the FY 2003 level. ITA's long-term organization-wide survey strategy is currently under development. In the meantime, ITA plans to conduct a bi-annual customer satisfaction survey and consequently, to populate ITA's customer value performance measures every other year. The bi-annual cycle was selected to minimize the burden on ITA's customers, reduce the costs of conducting an annual survey, and to provide time to pursue change based on survey findings and realize results which can then actually be measured in the next survey. In summary, ITA plans on an ongoing basis to conduct a survey bi-annually, implement the survey results in the off-year (2004), and to measure its progress and any increases in customer satisfaction (2005).

**FY 2005 Target**

FY 2005 target retained at the FY 2003 level. ITA plans to conduct a customer satisfaction survey and measure its progress and any increases in customer satisfaction in FY 2005.

**Discontinued Measures****Employee Job Satisfaction**

	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005
Target	New	New	3.5 mean	3.5 mean	Discontinued	Discontinued
Actual			Not Implemented	Not Implemented		
Met/Not Met						

**Explanation of Measure**

ITA is unable to implement the "Employee job satisfaction" measure due to the pending reorganization. ITA has elected to rely on the government-wide Federal Human Capital Survey, which is periodically conducted by the Office of Personnel Management. Presently, ITA is addressing findings from the 2002 Federal Human Capital Survey, which provides an indication of the status of employee job satisfaction in ITA.

**Measure 4e: Number of Customers Acquired Through Proactive ITA Efforts**

	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005
Target	New	New	New	1,000	Discontinued	Discontinued
Actual			Not Available	Not Implemented		
Met/Not Met						

**Explanation of Measure**

ITA is unable to implement this measure due to lack of data. ITA completed an organization-wide survey in FY 2003. As previously anticipated, the survey did not provide the necessary statistical information to calculate results.

## **Program Evaluation**

The FY 2003 ITA-wide Customer Satisfaction Survey preliminary findings point to a relative strength in customer service area. It is relatively high scoring and high impact, meaning it has a large influence on customer satisfaction. ITA will maintain its performance in this area, as a decline in Customer Service would cause a subsequent drop in the Customer Satisfaction Index.

## **Cross-cutting Activities**

### **Intra-Department of Commerce**

- Office of General Counsel--to work together on guidance for interpreting existing international trade agreements and defining the rights of U.S. firms and workers under U.S. and international trade laws.
- National Institute of Standards and Technology (NIST)--to coordinate our efforts to help SMEs export new technology and coordinate trade initiatives with the NIST's technology development and commercialization programs.
- National Telecommunications and Information Administration--to work together on opening foreign markets to American telecommunications technology.
- Minority Business Development Agency--to work together to target underserved communities and minority-owned businesses by proactively identifying potential exporters who need assistance.
- NOAA--to coordinate e-commerce trade initiatives with the NOAA's environmental programs.
- The Bureau of the Census--to fund reimbursable agreements to produce customized e-commerce statistics and collaborates on development of methodologies to generate data on e-commerce services exports.

### **Other Government Agencies**

- Small Business Administration, Export-Import Bank, Overseas Private Information Corporation, state or local government agencies, and local chambers of commerce--to share clients to provide complementary counseling services.
- Department of Energy, Department of Transportation, Department of Education, and Department of Defense and the U.S. Air Force--to provide industry expertise for ITA trade events.
- Department of State--to assist with market research projects in countries where the U.S. and Foreign Commercial Service does not maintain staff.
- Department of Agriculture --to provide grant assistance for U.S. and Foreign Commercial Service export counseling in rural areas.
- Bureau of Indian Affairs and Department of Interior--to provide industry expertise for ITA tourism development efforts.
- U.S. Agency for International Development--to provide grant assistance for various overseas projects (for example, American business centers in Russia).
- Trade Promotion Coordinating Committee--to coordinate the implementation of the trade finance and trade promotion programs of the 19 TPCC member agencies.

### **Government/Private Sector**

District Export Councils --to provide experienced, professional advice and guidance to exporting firms. District Export Councils 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. Currently there are 56 District Export Councils composed of more than 1,500 members.



### **External Factors and Mitigation Strategies**

In serving U.S. firms, ITA helps SMEs to enter and expand into new markets and to take advantage of trade opportunities. However, the overall strength of the global economy affects ITA's efforts. For example, the increasing relative strength of the U.S. dollar can make U.S. exports more costly in foreign markets. In addition, developments in e-commerce, information technology, biotechnology, the service industry, and environmental technologies are challenging ITA to develop new skills in order to help SMEs export.

To counter the trends and challenges that may lower SMEs' exporting abilities, ITA is taking advantage of information technology and e-commerce to disseminate information and connect U.S. exporters with foreign buyers. ITA also partners with other U.S. government agencies and with the private sector to deliver integrated services, especially through the Internet. ITA includes client evaluation on quality and effectiveness of products and services and provides feedback to the overseas posts and domestic offices. Collectively these efforts assure the timely, responsive, high-quality service to the business community, promote continuing program improvement and ensure efficient field operations.

## Performance Goal 5: Improve the U.S. Competitive Advantage through Global E-Commerce

### Targets and Performance Summary

<b>Performance Goal 6: Improve the U.S. competitive advantage through global e-commerce</b>							
	<b>FY 2000 Actual</b>	<b>FY 2001 Actual</b>	<b>FY 2002 Actual</b>	<b>FY 2003 Target</b>	<b>FY 2003 Actual</b>	<b>FY 2004 Target</b>	<b>FY 2005 Target</b>
Number of New Subscribers Using BuyUSA.com E-services	New	339	564	650	2,078	5,000 to 5,500	5,200 to 5,700
Customer Perception of (Export.gov) Portal Ease of Use	New	New	84.4%	Greater than 70%	69%	Greater than 70%	Greater than 70%
Percentage of ITA's Significant Products and Services Provided Electronically to External Customers	New	New	Not Implemented <sup>3</sup>	75% to 80%	82%	Greater than 85%	Greater than 90%

### Resource Requirements Summary

	<b>FY 2000 Actual</b>	<b>FY 2001 Actual</b>	<b>FY 2002 Actual</b>	<b>FY 2003 Actual</b>	<b>FY 2004 President's Budget</b>	<b>FY 2005 Base</b>	<b>Increase/Decrease</b>	<b>FY 2005 Request</b>
Manufacturing and Services	8.5	10.0	2.0	0.3	8.5	7.0	0.0	7.0
Market Access and Compliance	2.5	2.9	3.8	2.9	5.0	3.9	0.0	3.9
Import Administration	1.6	1.9	0.0	0.0	0.0	0.0	0.0	0.0
Trade Promotion and U.S. and Foreign Commercial Service	26.6	31.3	25	19.4	24.5	24.9	0.0	24.9
Ex.Dir./Administration	1.9	2.2	2.3	0.0	2.9	3.0	0.0	3.0
<b>Total Funding</b>	<b>41.0</b>	<b>48.3</b>	<b>33.1</b>	<b>22.6</b>	<b>40.9</b>	<b>38.8</b>	<b>0.0</b>	<b>38.8</b>
IT Funding	3.0	3.7	3.5	2.3	2.8	2.6	0.0	2.6
FTE	316	305	198	181	214	215	0.0	215

### Corresponding DOC Strategic Goal

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

<sup>13</sup> Data are not available at the time of this publication because data sources are currently under development.

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

**Rationale for Performance Goal**

ITA continues its focus on e-commerce, a major channel to further U.S. exports. The scope of e-commerce influence is broad, covering market access, customs, services, government procurement, and other areas of export promotion. ITA’s e-commerce export promotion program has four main goals: helping small businesses use the Internet to find markets overseas; helping established U.S. information technology companies to expand overseas; helping emerging economies make the transition to the digital age; and ensuring that both the Internet and foreign markets are open and accessible.

ITA provides exporters with desktop access to the international marketplace, through the use of electronic products and services such as Export.gov and BuyUSA.gov. These two major web sites provide basic information on navigating through the steps in the export process, in addition to international market research and online matchmaking services with foreign buyers. Through ITA’s leadership role in the International Process Streamlining E-gov Initiative, Export.gov allows users to obtain information on regulatory matters and policies, and access a broader array of U.S. Government trade-related information from the Department. BuyUSA.com and Export.gov work in partnership to help SMEs complete export transactions. Using a wide variety of e-commerce tools and service from both public and private sector sources, ITA employees help U.S. business evaluate new overseas markets and take advantage of foreign sales opportunities.

On the policy side, ITA is working in a range of international fora, such as the Free Trade Area of the Americas, with other Department of Commerce bureaus and government agencies to develop and advocate U.S. policy positions on a range of e-commerce issues. These include privacy, consumer protection, infrastructure access, telecommunications liberalization, diffusion of IT to SMEs, standards, IT tariff elimination, and expanded IT market access.

**Measure 5a: Number of New Subscribers Using BuyUSA.com E-services**

	<b>FY 2000</b>	<b>FY 2001</b>	<b>FY 2002</b>	<b>FY 2003</b>	<b>FY 2004</b>	<b>FY 2005</b>
Target	New	5,000	1,500	650	5,000 to 5,500	5,200 to 5,700
Actual		371	564	2,078		
Met/Not Met		Not Met	Not Met	Met		

**Explanation of Measure**

Subscribers to BuyUSA.com receive full access to the database of international buyer, distributor, and business partner contacts; trade leads and postings; catalogs; and the ability to establish purchase orders online. As e-commerce goes global, U.S. SMEs seek a secure platform for identifying potential international buyers and transacting business. ITA provides e-commerce export facilitation tools, such as BuyUSA.com, to new and existing clients; creates new e-commerce services; and promotes information technology throughout the world.

**FY 2004 Target**

Target has been adjusted upward to reflect improving U.S. economy. Additionally, technical difficulties encountered in the web site’s operations have been resolved, and improvement is expected in the number of new subscribers using the e-services offered by the BuyUSA.com.

**FY 2005 Target**

Proposed target is based on the projected improvement of U.S. economic trends.

**Measure 5b: Customer Perception of (Export.gov) Portal Ease of Use**

	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005
Target	New	New	Greater than 50% Satisfaction Rate	Greater than 70% Satisfaction Rate	Greater than 70% Satisfaction Rate	Greater than 70% Satisfaction Rate
Actual			84.4%	69%		
Met/Not Met			Met	Not Met		

**Explanation of Measure**

Customers' perceptions of portal ease of use ties directly to the ITA performance goal that seeks to improve U.S. competitive advantage through global e-commerce. The rise of the Internet and e-commerce should make global markets increasingly accessible to even the smallest of U.S. companies. However, less than one percent<sup>14</sup> of small companies currently export. The online information on overseas markets and export services available through the U.S. government left something to be desired. Through ITA's leadership role in the International Trade Process Streamlining E-gov Initiative, Export.gov is a first step toward consolidating export information into a single, customer-focused site where anyone can find every online federal resource related to exporting. ITA will survey online customers visiting Export.gov on an ongoing basis. Two weeks before the end of each reporting quarter, customers will be asked to fill out the questionnaire before leaving the site. The customers' response will be optional. This new performance measure will allow ITA to gauge customers' perception of portal ease of use and to increase the quality and navigability of the portal based on customer feedback. ITA will seek a target of greater than 70% satisfaction with scores of 3 or higher on a scale of 1-5 for overall portal ease-of-use.

**FY 2005 Target**

Target based on projected success of the Export.gov website. Since the website was redesigned in April of 2003, and customer perception of portal ease of use improved.

**Measure 5c: Percentage of ITA's Significant Products and Services Provided Electronically to External Customers**

	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005
Target	New	New	50%	75% to 80%	Greater than 85%	Greater than 90%
Actual			Not Implemented	82%		
Met/Not Met				Met		

**Explanation of Measure**

U.S. exporters expressed a need for fast access to ITA products and services. This performance measure will track ITA's progress in delivering products electronically to external customers. Based on Government Paperwork Elimination Act requirements, ITA is required to offer business processes electronically by October 2003, where practicable.

<sup>14</sup> The 2002 National Export Strategy

## **FY 2005 Target**

The FY 2005 target is based on ITA achieving most of the government paperwork elimination act requirements.

## **Program Evaluation**

The Report Card on Trade II revealed two primary reasons why SMEs do not export: lack of information on how to export and lack of information about foreign markets. The study also revealed that the Federal government was the leading source of four of the top ten export services used. The benefits derived from e-commerce impact all industry sectors and all business. ITA implemented a number of changes to improve coordination of services and sharing of client information both domestically and overseas in order to promote e-commerce. ITA's efforts designed to focus on getting results for U.S. companies paid off based on the preliminary findings of the ITA-wide Customer Satisfaction Survey, pointing toward customers perceiving ease of access to information and staff, to be an agency strength across all channels and topics.

## **Cross-cutting Activities**

### **Intra-Department of Commerce**

- Office of General Counsel--to work together on guidance for interpreting existing international trade agreements, defining the rights of U.S. firms and workers under U.S. and international trade laws.
- NIST--to coordinate our efforts to help SMEs export new technology and coordinate trade initiatives with the NIST's technology development and commercialization programs.
- National Telecommunications and Information Administration--to work together on opening foreign markets to American telecommunications technology.
- Minority Business Development Agency--to work together to target underserved communities and minority-owned businesses by proactively identifying potential exporters who need assistance.
- NOAA--to coordinate e-commerce trade initiatives with the NOAA's environmental programs.
- The Bureau of the Census--to fund reimbursable agreements to produce customized e-commerce statistics and collaborates on development of methodologies to generate data on e-commerce services exports.

### **Other Government Agencies**

- Small Business Administration, Export-Import Bank, Overseas Private Information Corporation, state and local government agencies, and local chambers of commerce--to share clients to provide complementary counseling services.
- Department of Energy, Department of Transportation, Department of Education, and Department of Defense and the U.S. Air Force--to provide industry expertise for ITA trade events.
- Department of State--to assist with market research projects in countries where the TP/USFCS does not maintain staff.
- Department of Agriculture --to provide grant assistance for TP/USFCS export counseling in rural areas.
- U.S. Agency for International Development--to provide grant assistance for various overseas projects (for example, American business centers in Russia).

- Trade Promotion Coordinating Committee--to coordinate the implementation of the trade finance and trade promotion programs of the 19 TPCC-member agencies.

### **Government/Private Sector**

District Export Councils --to provide experienced, professional advice and guidance to exporting firms. District Export Councils 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. Currently there are 56 District Export Councils composed of more than 1,500 members.

### **External Factors and Mitigation Strategies**

The overall strength of the global economy affects U.S. e-commerce exports. For example, because the increasing relative strength of the U.S. dollar can make U.S. exports more costly in foreign markets, economic slowdowns and/or issues relating to foreign corruption may reduce the number of advocacy requests received from U.S. firms competing in the international marketplace.

To counter these trends, ITA will increase efforts to promote U.S. companies' bids in regions with higher export potential. Global economic trends also require ITA to alter the types of programs and export assistance services we provide for U.S. companies by, for example, pioneering efforts to move e-commerce into the mainstream of trade-enhancing and improving existing products and services and creating new product lines to meet exporters' changing needs. Additionally, the ITA's worldwide network, strong in-country contacts, and improved local outreach, including local language web sites, help foreign buyers locate U.S. suppliers. ITA created a menu of reverse services, which helps foreign buyers locate appropriate U.S. suppliers for their desired product, service, joint venture, or partnering needs.

## ITA 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 career 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.

<b>Performance Measure</b>	<b>Data Source</b>	<b>Frequency</b>	<b>Data Storage</b>	<b>Verification</b>	<b>Data Limitations</b>	<b>Actions to be taken</b>
Measure 1a: Number of New or Enhanced ITA Partnerships with Public and Private Sector Entities to Promote U.S. Exports	Database of domestic or foreign, for-profit or not-for-profit private sector firm or industry organization partners; federal, state, or local government agency	Annually	ITA-wide source data to be input into PBViews	ITA will perform client verification survey based on the information stored in PBViews	Global trends, political developments, and ITA resources could affect the actual numbers.	Performance measure has been fully operational for less than one year. ITA is currently reviewing FY 2003 actual data in order to establish data trends for setting meaningful targets. Targets established for FYs 2004 and 2005 are based on best available data at the time of this publication.
Measure 1b: Trade Policy and Negotiation Advancement	Survey of ITA staff	Annually	ITA-wide source data to be input into PBViews	ITA will perform client survey verification and periodic auditing of survey data and results	Response rate to the survey; quality of survey questions	Survey strategy is currently under development.
Measure 1c: Placeholder for New Measure Dealing with Trade and Economic Analysis	Under development	N/A	N/A	N/A	N/A	N/A

<b>Performance Measure</b>	<b>Data Source</b>	<b>Frequency</b>	<b>Data Storage</b>	<b>Verification</b>	<b>Data Limitations</b>	<b>Actions to be taken</b>
Measure 1d: Dollar Exports in Targeted Products and Markets	Census Bureau and Bureau of Economic Analysis trade data and U.S. export promotion participants	Annually	Electronic retrieval of detailed Census Bureau and Bureau of Economic Analysis trade data	ITA collects data on dollar exports in targeted markets quarterly using internal procedures. ITA performs quality control, including error checking and elimination of duplicates, and, through peer review, verifies collected data.	Data present estimates of resultant exports, but global economic variables and political or administrative developments may affect the future growth in U.S. exports to targeted markets. Data for the service sector are limited in the detail available and frequency of publication, and there is a substantial lag (three to four months) in its publication.	Data are compiled from several sources, which include lagging indicators.
Measure 2a: Percentage of Undertaken Advocacy Actions Completed Successfully	U.S. companies that benefit from U.S. government advocacy	Annually	Data collected from the Advocacy Success Database, and the Client Management System is stored in the PBViews database.	The Advocacy Center conducts annual verifications with follow-up calls to a significant sample of customers to verify 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.	Advocacy actions reported are those recorded by the Advocacy Center thus eliminating any possible duplications in the data reported by various ITA entities. ITA has taken steps to ensure that all completed advocacies are reported and verified in the Advocacy Center database. Targets and actual data are stored in PBViews.
Measure 2b: Dollar Value of Completed Advocacies (U.S. Export Content)	U.S. companies that benefit from U.S. Government advocacy	Annually	Data collected from the Advocacy Success Database, and the Client Management System is stored in the PBViews database.	The Advocacy Center conducts annual verifications with follow-up calls to a significant sample of customers to verify the dollar value of exports generated through the support of U.S. government effort.	Quality of data is dependent on client's willingness to provide the data. U.S. companies provide dollar estimates regarding export content. The advocacy center has found that after these estimates were reviewed in random audits conducted in the past three years, the individual project export content values did vary. Additionally, some clients elect not to provide information to ITA due to business proprietary concerns.	Advocacy actions reported are those recorded by the Advocacy Center thus eliminating any possible duplications in the data reported by various ITA entities. ITA has taken steps to ensure that all completed advocacies are reported and verified in the Advocacy Center database. Targets and actual data are stored in PBViews.



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Measure 2c: Number of Exporters Entering a New Market (Long-Term Measure)	U.S. exporters	Annually	Data from the Client Management System is stored in the PBViews database.	ITA data on client contact activities, including U.S. exporters entering new market, are collected quarterly using internal procedures. ITA performs quality control, including error checking and elimination of duplicates, and verifies results through peer review of verifiable documentation.	ITA's collection of data to measure a number of clients that successfully export for the first time to a new market as a result of ITA assistance is wholly dependent on a client's willingness to provide such information.	ITA reports data recorded in the Client Management System. Targets and actual data are stored in PBViews. As a result of PART review, ITA built on the "Number of exporters entering a new market" by expanding the planning targets into FY 2007. This long-term measure focuses on outcomes and meaningfully reflects the purpose of the TP/USFCS program.
Measure 2d: Number of U.S. firms Exporting for the First Time (Long-Term Measure)	U.S. exporters	Annually	Data from the Client Management System is stored in the PBViews database.	ITA data on client contacts, activities, including U.S. firms exporting for the first time, are collected quarterly using internal procedures. ITA performs quality control, including error checking and elimination of duplicates and, through peer review, verifies documentation.	ITA's collection of data to measure the numbers of clients that successfully export for the first time as a result of ITA assistance is wholly dependent on a client's willingness to provide such information.	ITA reports data recorded in the Client Management System. Targets and actual data are stored in PBViews. As a result of PART review, ITA built on the "Number of U.S. firms exporting for the first time" by expanding the planning targets into FY 2007. This long-term measure focuses on outcomes and meaningfully reflects the purpose of the TP/USFCS program.
Measure 2e: Number of Export Transactions Made as a Result of ITA Involvement (Long-Term Measure)	U.S. exporters	Annually	Data from the Client Management System is stored in the PBViews database.	ITA will perform client survey verification and periodic auditing of survey data and results.	Responses to the survey depend on U.S. business cooperation and willingness to provide data and on sample size and response rate of periodic surveys of product users.	ITA reports data recorded in the Client Management System. Targets and actual data are stored in PBViews. As a result of PART review, ITA built on the "Number of export transactions made as a result of ITA involvement" by expanding the planning targets into FY 2007. This long-term measure focuses on outcomes and meaningfully reflects the purpose of the TP/USFCS program.

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Measure 2f: Percentage of TP/USFCS' Programs Funded by Fees (Long-Term Measure)	ITA accounting system	Annually	Data from the Document Direct, ITA accounting system	Quarterly audits performed by DOC and reported to OMB	Financial coding errors.	ITA is currently revamping its financial coding system to reduce errors and capture better financial data that would inform ITA managers about program finances.
Measure 3a: Percentage of AD/CVD Cases Completed On Time	Import Administration (IA) cases completed in accordance with the statutory deadline	Timeliness is measured as a percentage of all completed cases and will be reported annually. Computation is "total number of cases completed by statutory deadline/total number of cases."	Data from the AD/CVD Case Management System is stored in the PBViews database.	Each case is supported by final determinations, including Federal Register notices. Lotus Notes software is employed to operate the IA-wide AD/CVD case tracking and management system. ITA's case management system is updated daily and duration statistics are available at a moment's notice. Performance data are monitored and certified internally.	Number of AD/CVD cases processed on time depends on the accurate tracking of case assignment and case completion.	ITA reports data recorded in the AD/CVD Case Management System. Targets and actual data are stored in PBViews.
Measure 3b: Number of Market Access and Compliance Cases Initiated	Petitions from U.S. firms encountering trade barriers and compliance by foreign governments with U.S. negotiated international trade agreements	Annually	Data from the ITA compliance activity database maintained by the Trade Compliance Center (TCC) is stored in the PBViews database.	ITA data on market access and compliance cases are reported in the case database. ITA ensures system integrity (data are entered where they should be) and performs quality control, including error checking, elimination of duplicate cases reported, and, through peer review, verification of documentation.	Caseload is largely driven by outreach efforts seeking private sector complaints and through U.S. government monitoring efforts. 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.	ITA reports data recorded in the Market Access and Compliance Database Management System. Targets and actual data are stored in PBViews.

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Measure 3c: Number of Market Access and Compliance Cases Concluded	ITA Compliance and Market Access Management System database, which contains data on U.S. firms encountering foreign trade barriers	Annually	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. Lotus Notes software is employed to operate the ITA-wide Compliance and Market Access Case Management System. The Compliance and Market Access Case Management System is updated daily and duration statistics are available at a moment's notice. Performance data is monitored and certified internally.	Number of cases "concluded" depends on the accurate tracking of case assignment and case disposal.	ITA reports data recorded in the Market Access and Compliance Database Management System. Targets and actual performance data are stored in PBViews.
Measure 4a: Customer Satisfaction with the Quality of ITA's Products and Services	ITA customers (U.S. exporters)	Broad survey conducted every two years	Client Management System and PBViews	ITA analyzes and certifies data internally through periodic audits of reported data in the system.	The level of response to ITA's survey limits the data. ITA will strive for satisfaction levels of 70%	ITA's long-term organization-wide survey strategy is currently under development. ITA plans to conduct a bi-annual customer satisfaction survey and consequently to populate ITA's customer value performance measures every other year.
Measure 4b: Customer Perception of Ease of Access to Export and Trade Information and Data	ITA customers (U.S. exporters)	Broad survey conducted every two years	PBViews database	ITA staff will perform analysis to verify statistical results of survey data.	Limitations exist in the level of response to survey.	ITA's long-term organization-wide survey strategy is currently under development. ITA plans to conduct a bi-annual customer satisfaction survey and consequently to populate ITA's customer value performance measures every other year.

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Measure 4c: Customer Value: Level of Awareness of ITA Products and Services	ITA Customers (U.S. exporters and potential exporters)	Broad survey conducted every two years	Client Managements System and PBViews	ITA staff will perform analysis to verify statistical results of survey data.	Level of response to survey	ITA's long-term organization-wide survey strategy is currently under development. ITA plans to conduct a bi-annual customer satisfaction survey and consequently to populate ITA's customer value performance measures every other year.
Measure 4d: Number of U.S. Exporter Activities Undertaken per Customer Surveyed	Customer survey	Annually	Client Management System and PBViews	ITA will perform client verification survey	Responses to the survey depend on U.S. business cooperation and willingness to provide data and on sample size. Once initial data are collected, targets can be refined. ITA has not completed the initial compilation of data.	ITA's long-term organization-wide survey strategy is currently under development. ITA plans to conduct a bi-annual customer satisfaction survey and consequently to populate ITA's customer value performance measures every other year.
Measure 5a: Number of New Subscribers Using BuyUSA.com E-services	U.S. subscribers using the BuyUSA.com web site	Annual	Data from the Web trends (Internet-based software tracking system) is stored in the PBViews database.	Clients visiting the web site or domain during a specific period of time. The U.S. and Foreign Commercial Service (TP) collects, reviews, verifies, and signs the reports.	None. A subscriber is identified by a registered user name.	ITA refined the BuyUSA.com database in order to improve data collection. Targets were updated.
Measure 5b: Customer Perception of (Export.gov) Portal Ease of Use	ITA customer portal survey	Annual	Data to be logged and stored on a database such as Microsoft Access and/or Excel spreadsheet for input into the PBViews database.	ITA employees will harvest the data from ITA's Export.gov portal.	Level of response to the survey; sample size and customer misinterpretation of survey questions	ITA has developed a portal survey that is posted online.

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Measure 5c: Percentage of ITA's Significant Products and Services Provided Electronically to External Customers	ITA customer portal or web based survey	Biannually	Data compiled in Microsoft Excel or Microsoft Access database will be stored in the PBViews database.	ITA's program staff will verify the survey data through periodic assessments of representativeness of respondents.	Records maintained on the number of products and services available electronically. Level of response to the survey and employees misinterpretation of survey questions.	ITA has finalized the type of business process, the accuracy of current targets and definitions in the measure. ITA began collecting actuals in the second quarter of FY 2003.