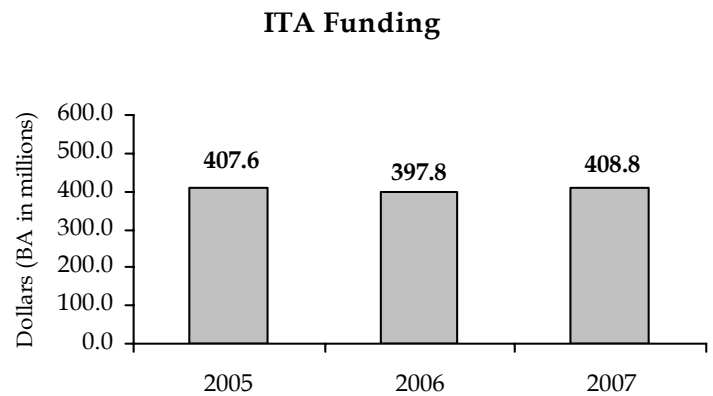


International Trade Administration

The mission of the International Trade Administration (ITA) is to create prosperity by promoting trade and investment, ensuring fair trade and compliance with trade laws and agreements, and by strengthening the competitiveness of U.S. industry. Funding requested for ITA in 2007 will be used to implement the following priorities: ensuring that China and other important trading partners honor their WTO commitments and that market access for American trade and investment in China and other economies is expanded; ensuring compliance and enforcement of all trade agreements, with special emphasis on intellectual property rights protections; strengthening Federal trade promotion programs; implementing reforms recommended by the 2005 report "Manufacturing in America"; and supporting the economic component of the Security and Prosperity Partnership with Canada and Mexico. ITA's goals and objectives are accomplished through five program areas:



Manufacturing and Services (MAS) is ITA's industry-based program that focuses on both the domestic and international aspects of U.S. industrial competitiveness. MAS works with U.S. industry to evaluate the needs of the U.S. manufacturing and service sectors and obtain input from them to evaluate their interests for setting U.S. Government trade policy. MAS participates, as appropriate, with ITA trade policy and negotiation advancement initiatives.

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

Import Administration (IA) defends American firms from injurious practices by administering the U.S. antidumping and countervailing duty laws in a manner consistent with U.S. international obligations. IA works extensively with U.S. businesses on a regular basis to help them understand U.S. trade laws related to dumping and foreign government subsidies and to act if they are injured by those practices. IA manages an Unfair Trade Practices Team that tracks, detects and confronts unfair competition by monitoring economic data from our global competitors and investigates evidence of unfair subsidization and production distortions. IA also conducts any textile-related cases brought by U.S. industry in the area of textiles imports.

The U.S. and Foreign Commercial Service (US&FCS) program conducts trade promotion programs intended to broaden and deepen the base of U.S. exports, particularly of small and medium-sized firms; provides American companies with reliable advice on the range of public and private assistance available and knowledgeable support for all other Federal trade promotion services; offers export assistance through information, referral and follow-up services through its integrated global field network; and leads interagency advocacy efforts for major overseas projects, including early involvement in project development and assistance to resolve post-export transaction problems.

Executive Direction and Administration (ExAdmin) directs policy and planning functions to effectively plan and manage ITA. ExAdmin delivers administrative services to enable ITA's programs to advance their program goals. These administrative services include information technology support systems, strategic planning and performance

management services, human capital planning, human resources services, financial management, and general administrative assistance.

Congressional Earmarks The International Trade Administration’s budget does not continue \$19.7 million of funding for the Congressional earmarks included in the FY 2006 appropriations. The FY 2007 President’s Budget reallocates those funds for restoration of ITA’s base operations and Adjustments to Base.

Foreign Service Modernization (FSM) supports the first step of a transition to a performance-based pay system and global rate of pay for Foreign Commercial Service personnel grade FS-01 and below. The proposal would also establish a global rate of pay for the Foreign Commercial Service to attract and retain our most productive people and increase our presence in priority emerging markets, which offer tremendous growth opportunities but require greater efforts to help U.S. firms overcome challenging market access barriers and problems.

Summary of Appropriations

Funding Levels

	2005 <u>Actual</u>	2006 <u>Estimate</u>	2007 <u>Estimate</u>	Increase <u>(Decrease)</u>
Discretionary Appropriation				
Operations and Administration	\$388,257	\$393,830	\$408,782	\$14,952
U. S. Travel & Tourism Promotion				
Advisory Board	9,866	3,949	0	(3,949)
Total, Discretionary Appropriation	398,123	397,779	408,782	11,003
Transfer from USAID	4,106			
Mandatory Appropriation				
Grants to Manufacturers of worsted wool fabrics	5,332			
TOTAL BUDGET AUTHORITY	407,561	397,779	408,782	11,003

FTE

Operations and Administration	2,211	2,217	2,217	0
Reimbursable	26	25	25	0
Total	2,237	2,242	2,242	0

Highlights of Budget Changes

Appropriation: Operations and Administration

	<u>Detailed</u>		<u>Summary</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
2006 Appropriation			2,217	\$393,830
FY 2006 Fee Collections				8,000
FY 2006 Gross Appropriation			<u>2,217</u>	<u>401,830</u>
Adjustments to Base				
<u>Other Changes</u>				
2006 Pay raise		1,727		
2007 Pay raise		2,914		
Payment to Working Capital Fund		216		
Civil Service Retirement System(CSRS)		(428)		
Federal Employees' Retirement System(FERS)		1,227		
Thrift Savings Plan		122		
Federal Insurance Contributions Act (FICA) -OASDI		517		
Health insurance		793		
Employees' Compensation Fund		(108)		
Travel: Mileage		23		
Rent payments to GSA		221		
Printing and reproduction		12		
NARA		(4)		
Other services: Working Capital Fund		1,581		
Capital Security Cost Sharing Program (CSCSP)		10,952		
Overseas wage increases		670		
Overseas price increases		401		
General Pricing Level Adjustment:				
Transportation of things		32		
Rent payments to others		148		
Communications, Utilities & misc.		65		
Other services		492		
Supplies		59		
Equipment		74		
Non-ICASS Local Guard Service		52		
Military Pouch Service		13		
Foreign Service Modernization Transition		2,000		
Currency Loss		1,535		
Subtotal, other cost changes			<u>0</u>	<u>25,306</u>
Less Amount Absorbed *			0	(7,354)

* The FY 2007 Budget Request for Adjustments To Base (ATB) provides funding for ITA's share of the Capital Security Cost Sharing Program at the State Department and the Foreign Service Modernization Transition. Other ATBs will be funded by reallocating resources from lower priority programs and Congressional earmarks.

	<u>Detailed</u>		<u>Summary</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
TOTAL, ADJUSTMENTS TO BASE			0	\$17,952
2007 Gross Base			2,217	419,782
Program Changes			0	2,000
2007 GROSS APPROPRIATION			2,217	421,782
FY 2007 Fee Collections			0	(13,000)
2007 NET APPROPRIATION			2,217	408,782

Comparison by Activity

	2006 Currently Avail.		2007 Base		2007 Estimate		Increase / Decrease	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
DIRECT OBLIGATIONS								
Manufacturing and Services	237	\$47,072	237	\$46,828	237	\$47,328	0	\$500
Market Access and Compliance	209	43,192	209	39,306	209	39,306	0	0
Import Administration	382	59,367	382	59,367	382	59,367	0	0
Trade Promotion and U.S. Foreign Commercial Service	1,254	226,595	1,254	235,791	1,254	237,291	0	1,500
Executive Direction / Administration	135	25,490	135	25,490	135	25,490	0	0
TOTAL DIRECT OBLIGATIONS	2,217	401,716	2,217	406,782	2,217	408,782	0	2,000
REIMBURSABLE OBLIGATIONS	25	31,000	25	33,000	25	33,000	0	0
TOTAL OBLIGATIONS	2,242	432,716	2,242	439,782	2,242	441,782	0	2,000
FINANCING								
Unobligated balance, start of year		(7,886)						
Offsetting collections from:								
Federal funds	(25)	(18,000)				(20,000)		
Non-Federal sources		(13,000)				(13,000)		
Subtotal, financing	(25)	(31,000)			0	(33,000)		
TOTAL BUDGET AUTHORITY / APPROPRIATION	2,217	393,830			2,242	408,782		

Highlights of Program Changes

	<u>Base</u>		<u>Increase / Decrease</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
<u>Manufacturing and Services</u>	237	\$46,828	0	\$500
<u>Trade Promotion and U.S. Foreign Commercial Service</u>	1,254	235,791	0	1,500

To support the President's Asia-Pacific Partnership on Clean Development and Climate (APP) with Australia, China, India, Japan, and South Korea, the International Trade Administration will focus on reducing the barriers in these countries to energy efficient products and technologies from U.S. companies. ITA will produce market research on each of these countries to help U.S. companies better understand the conditions in these countries, support the APP industry task forces and ensure U.S. private sector participation, match buyers and U.S. equipment providers through trade missions to the partner countries, and bring buyers to the U.S. for company and site visits. No additional FTE are required.

Appropriation: U.S. Travel and Tourism Promotion Advisory Board

Summary of Requirements

	<u>Detailed</u>		<u>Summary</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
2006 Appropriation			0	\$3,949
Adjustments to Base				
TOTAL, ADJUSTMENTS TO BASE			<u>0</u>	<u>0</u>
2007 Base			0	3,949
Program Changes			0	(3,949)
2007 APPROPRIATION			<u>0</u>	<u>0</u>

Comparison by Activity

	2006 Currently Avail.		2007 Base		2007 Estimate		Increase / Decrease	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
DIRECT OBLIGATIONS								
U.S. Travel & Tourism Promotion	0	\$4,068	0	\$0	0	\$0	0	\$0
TOTAL DIRECT OBLIGATIONS	<u>0</u>	<u>4,068</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
FINANCING								
Unobligated balance, start of year		(119)						
TOTAL BUDGET AUTHORITY	<u>0</u>	<u>3,949</u>			<u>0</u>	<u>0</u>		

Highlights of Program Changes

	<u>Base</u>		<u>Increase / Decrease</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
U.S. Travel and Tourism Promotion Advisory Board	0	0	0	0

No funding is requested for this program in 2007, as travel promotion activities can be funded through a variety of non-Federal sources.

ITA Performance Measures

For FY 2007, ITA is using new goals, objectives and metrics developed for its FY 2006-2011 strategic plan. ITA will continue to refine its performance measures to demonstrate outcomes and results. ITA developed several new measures to reflect its FY 2004 reorganization and the new Manufacturing and Service (MAS) program. All new ITA performance measures, where historical or baseline data is not available, will appear in this document and in ITA's Annual Performance Plan (Exhibit 3a) as "new". ITA developed these measures to cut across ITA program lines and to indicate results and performance that are ITA-wide in scope. The following table shows the measures that ITA uses to measure its performance. A more detailed description of these goals and measures can be found in the ITA section of the Department of Commerce budget.

Performance Goals (Obligations) and Measures (Targets)

(Dollars in millions)

	2005 <u>Actual</u>	2006 Estimate / <u>Target</u>	2007 Estimate / <u>Target</u>
Goal 1: Enhance U.S. Competitiveness in Global Marketplace	\$56.1	\$56.1	\$52.1
Number of in-depth U.S. industry analyses completed to quantify the effects of policy proposals against structural cost benchmarks.	New	New	New
Percent of total competitiveness impediments identified by industry and other stakeholders where ITA takes appropriate action	N/A	New	New
Number of analyses and reports developed to improve U.S. trade compliance and market access activities/developments, for example; Miscellaneous Tariff Bill, retaliations, and GSP assessments.	New	New	New
Percent of milestones completed in sector specific bilateral and multilateral dialogues and negotiations for trade agreements.	New	New	New
Customer perception of ease of access to export and trade information and data	74	74 to 76	74 to 76
Goal 2: Broaden and Deepen the U.S. Exporter Base	\$252.7	\$266.7	\$280.8
% of undertaken advocacy actions completed successfully	12%	12% to 15%	12% to 15%
Dollar value of advocacy cases completed successfully	N/A	Subject to FY 06 Baseline	Subject to FY 06 Baseline
Number of New to Export Export Successes	620	700 to 850	700 to 850
Number of New to Market Export Successes	4,888	4,760 to 5,500	4,760 to 5,500
Number of increase to Market Export Successes	N/A	N/A	Subject to FY 06 Baseline
Number of export transactions made as a result of ITA involvement	12,518	11,385 to 13,500	11,385 to 13,500
% of CS fee funded programs	2%	3%	(Discontinued)
Goal 3: Identify and Resolve Unfair Trade Practices	\$115.8	\$113.9	\$108.9
% of antidumping or countervailing duty cases completed within statutory deadlines	100%	100%	100%
Number of market access and compliance cases initiated	160	150 to 160	150 to 160
Number of market access and compliance cases concluded	85	80 to 90	80 to 90
% of market access and compliance cases initiated on behalf of small and medium-sized businesses	N/A	Subject to FY 06 Baseline	Subject to FY 06 Baseline
% of market access and compliance cases resolved successfully* (reduction or elimination of the market barrier)	N/A	Subject to FY 06 Baseline	Subject to FY 06 Baseline
Total:	\$431.2	\$436.7	\$441.8

* Amount for FY 05 and FY 06 includes funding for Travel and Tourism Advisory Board.