



# International Trade Administration

## 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.

In fiscal year 2004, the International Trade Administration (ITA) will remain dedicated to opening foreign markets, promoting export activity, and ensuring fair competition and compliance with international trade agreements. This continues to be the focus of its business plans and adheres to its FY 2002-FY 2006 Strategic Plan<sup>1</sup>. ITA will also utilize information obtained from customers during FY 2002 and FY 2003 to assess product and service offerings and to enhance client service delivery.

ITA employs almost 2,500 people stationed in the U.S. and abroad in five major program units: Trade Development, Market Access and Compliance, Import Administration, U.S. and Foreign Commercial Service, and Executive Direction and Administration. These units support the ITA mission by performing analyses, promoting U.S. products, and offering services and programs for the U.S. exporting community. ITA is also responsible for ensuring that competition is fair and that the U.S.'s trading partners comply with international trade agreements.

ITA will work to increase trade opportunities and advance U.S. trade policy positions through its involvement in both the World Trade Organization (WTO) negotiations and through its efforts to expand the North America Free Trade Area (NAFTA) to a Free Trade Area of the Americas (FTAA). Through FY 2004, ITA will focus on bilateral negotiations to increase trade opportunities with Chile and Singapore. The passage of Trade Promotion Authority by Congress, signed into law by the President in August 2002, will enable ITA to be definitive in its policy and negotiation strategy for both bilateral and multilateral initiatives.

Through FY 2004, ITA will strengthen the necessary infrastructure to ensure that trade agreements negotiated by the U.S. are evaluated in regard to their implementation by foreign governments and monitored for compliance problems. ITA will defend U.S. 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 President's "2002 National Export Strategy (NES)"<sup>2</sup> presented sixty 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 small and medium-sized enterprises (SMEs), while ensuring that all exporters have the best resources available to take advantage of overseas commercial opportunities. SMEs constitute 97 percent of all U.S. exporting companies and account for about 30 percent of the value of U.S. exports according to the NES.

<sup>1</sup> ITA's Strategic Plan is available at: [www.ita.doc.gov/ooms/ITAMeasures/ITAStrategicPlan.pdf](http://www.ita.doc.gov/ooms/ITAMeasures/ITAStrategicPlan.pdf).

<sup>2</sup> The National Export Strategy is an annual Congressionally mandated report as required by the Export Enhancement Act of 1992. This act also established the Trade Promotion Coordinating Committees (TPCC) by statute.

The Trade Promotion Coordinating Committee's (TPCC)<sup>3</sup> survey of 3,200 small and medium-sized firms, entitled *Report Card on Trade II*, shows that 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.

## Priorities/Management Challenges

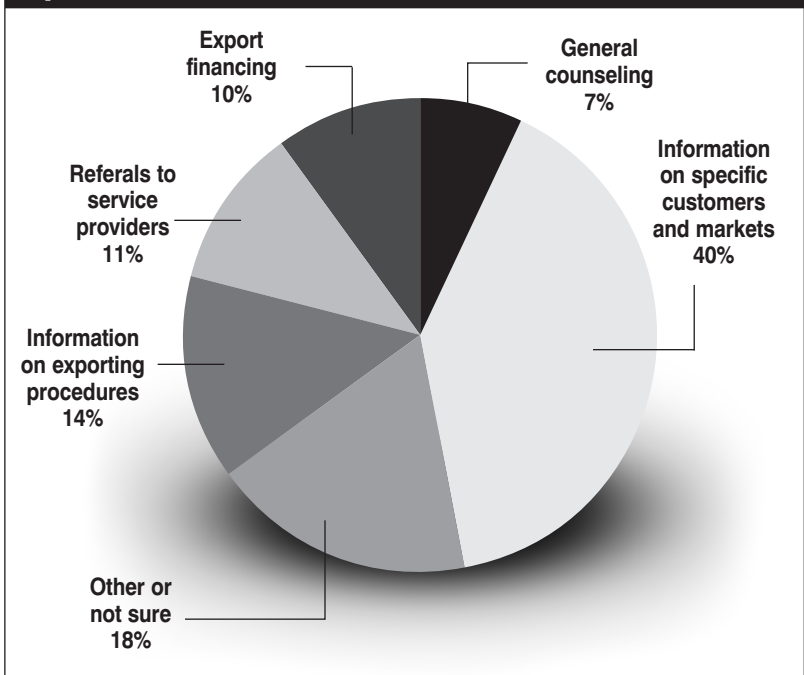
ITA faces additional demands as the international trade environment rapidly changes, often requiring ITA to shift its focus and address new priorities. Challenges constantly emerge with new markets to target and new types of barriers to address. U.S. firms depend upon ITA to act in their best interest through the development of trade statistics and economic analysis that helps posture ITA's key WTO negotiating positions.

*ITA's primary clients are small and medium-sized enterprises (SMEs) that want basic information on overseas market opportunities.*

Source: The recently completed (June, FY 2002) Trade Promotion Coordinating Committee (TPCC) benchmark survey entitled, "Report Card on Trade II."

In FY 2004, addressing customer demand for export products and services and ensuring that SMEs continue to perform well in today's uncertain economy is a critical challenge for ITA. Interestingly, exporters rely on the government for market information more than any other source (private sector or non-governmental organizations)<sup>4</sup>. The *Report Card on Trade II* survey confirmed that the federal government is an important resource for Web-based information. One of ITA's key challenges and opportunities is to make Export.Gov an easy to use source of web-based information. The main challenge being addressed is the ability of U.S. exporters to find the government's best export assistance information in one place on the Web. ITA measures the results of these efforts by assessing customer satisfaction with the portal's ease of use. In FY 2002, eight out of ten clients found the trade portal, Export.Gov, easy to use. The results thus far compare to best- in- class practices in both private and public benchmarks.<sup>5</sup>

**ITA Has identified What Assistance Small, New to Export Firms Need Most**



<sup>3</sup> The TPCC is the statutorily mandated committee composed of 19 federal agencies established to ensure coordinated delivery of export promotion programs and services.

<sup>4</sup> TPCC Benchmark Survey, report no. PB2002-105721.

<sup>5</sup> Source: ITA Performance Management System

Through FY 2004, 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 its U.S. market base. ITA's success in maintaining this balance stems from its ability to integrate efforts to support the President's commercial and foreign policy goals of promoting 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 bring free trade to Africa, China, and throughout the Americas.

More can be done to improve ITA's record of success in promoting and expanding export opportunities for U.S. firms. Exports as a percentage of gross domestic product (GDP) have remained fairly flat over the past decade. According to the FY 2002 National Export Strategy, while overall U.S. exports have grown, the percentage of U.S. firms that export is still below 5 percent. One of ITA's greatest challenges is helping these firms with export potential to reach their full capacity through first time export market entry. ITA measures these results. During FY 2002 alone, ITA's efforts have led to nearly 6,000 U.S. businesses entering new export markets.<sup>6</sup>

Companies rely on existing government programs, but want these programs updated to twenty-first century best-in-class practices. ITA's clients expect seamless service and government staff to be fully trained to take them through the maze of government programs and to understand the bigger picture. Firms that are new to exporting demand information on specific markets and trade leads. In addition to mastering the intricacies of the exporting process, U.S. firms have to identify and learn how to find market research, technical information, and documentary requirements. ITA's FY 2004 budget proposal and its integrated performance plan requests the resources to respond to foreign marketplace challenges and address increased client demand.

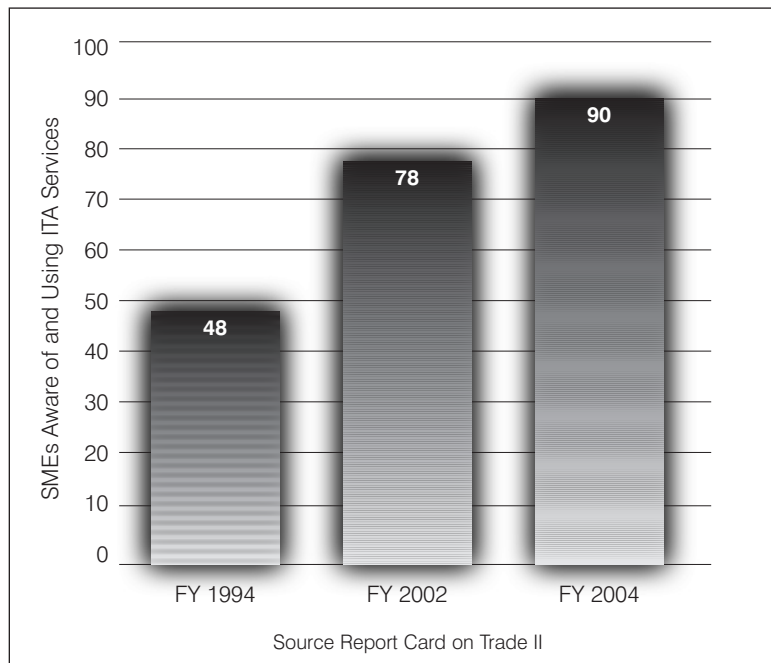
***Between 1994 and 2002, SMEs that had heard of and used ITA's Export Assistance Services rose from 48% to 78%. It will continue to grow through 2004.***

Source: Report Card on Trade II

***ITA's Integrated Performance Plan Supports the President's and Secretary's International Trade Agenda***

ITA is poised to carry out President Bush's international trade agenda while defining its strategic direction to address the changing expectations and needs of its stakeholders and customers. As a result of this, ITA is better positioned to help the U.S.'s exporters meet the challenges confronting them and capitalize on new opportunities that arise from the adoption of the President's agenda. ITA's goals and objectives<sup>7</sup>

drive the content and structure of the FY 2004 budget request and support the Commerce Department's core mission of promoting job creation and improving the living standard for all Americans. In particular, ITA's programs directly support



<sup>6</sup> Source: ITA Performance Management System

<sup>7</sup> ITA's mission, goals, objectives, and key performance measures are described in detail in its Strategic Plan, available at: [www.ita.doc.gov/ooms/ITAMeasures/ITAStrategicPlan.pdf](http://www.ita.doc.gov/ooms/ITAMeasures/ITAStrategicPlan.pdf).

Commerce's strategic goal to "provide the information and framework to enable the economy to operate efficiently and equitably." ITA's Strategic Plan also outlines cross-cutting activities in which ITA works closely with other government agencies to achieve desired outcomes and fulfill its lead role in international trade.

For the first time, ITA submitted a performance plan and a budget request that is integrated with its planning and performance management processes. The most significant change is that ITA's resources and program descriptions are now presented in terms of how they support ITA's six performance goals<sup>8</sup>, rather than solely in the former sub-line item structure. ITA believes this will present the reader with a clearer picture of how resources are applied to achieve program goals. In addition, this positions ITA closer to meeting one of the standards for success in the President's Management Agenda: improved integration of budget and performance. This is just one way in which ITA is actively pursuing initiatives under the President's Management Agenda.

ITA will continue to support U.S. business interests and the U.S. economy through its initiatives in compliance, enhancement of customer service and its support of key global markets and critical sectors.

### ***Compliance***

- ITA compliance efforts are a top priority. ITA must ensure that it continues to have a free and open trading system and do this by:
  - Improving the ability of its overseas staff to respond to trade compliance issues and to ensure that U.S. businesses receive the full benefit of negotiated trade agreements, resolve market access problems (foreign restrictive standards and other regulatory measures), and defend U.S. industry against injurious trade practices by enforcing U.S. trade laws. In FY 2002, ITA initiated 253 market access and compliance cases.<sup>9</sup>
  - Responding to growth in World Trade Organization (WTO)-inspired litigation and addressing the growing number of investigations and reviews from non-market economy countries such as China. ITA has been forced to analyze complicated enforcement issues such as circumvention, new shipper reviews, and the independence of companies from the government. Because of the dynamic changes that all non-market economy countries are experiencing, ITA has and is constantly refining and re-examining its non-market economy practices and policies. Now that China has entered the WTO, subsidy analysis will become an even greater challenge for ITA.
  - China's WTO accession also offers more leverage for the U.S. in seeking redress and compliance in difficult trade issues because China must now comply with WTO rules. More stringent compliance will be sought on behalf of U.S. firms to protect U.S. intellectual property exports and ensure effective resolution of standards and other non-tariff issues. WTO accession will help the Chinese commercial infrastructure become more transparent to other WTO members and enable U.S. firms to operate under somewhat similar business conditions found in other parts of the world.
- The final lynchpin in ITA's enhanced compliance efforts is the development of a proactive compliance capability by:
  - Increasing research and monitoring of existing trade agreements, identifiable market access barriers, and more coordinated antidumping (AD)/countervailing (CVD) casework, which focuses on imports that are being unfairly subsidized or sold in the U.S. at less than fair market value.

<sup>8</sup> See performance goals section begins on page 165.

<sup>9</sup> ITA performance management system.

- Developing targeted outreach to U.S. companies has been essential. ITA will continue to build on the collaborative process between its geographic/sector specific units and its Trade Compliance Center in resolving compliance issues with trade agreements signed by the United States. This will lead to greater cooperation and a more effective tracking system of compliance cases throughout ITA. The ITA-wide tracking database has been the focus of efforts to capture all activities related to overcoming trade barriers and begin a concerted effort to measure results in trade compliance and market access.
- Finally, deploying its response teams more quickly and ensuring they are prepared is essential for ITA's success in compliance. These teams seek to resolve overseas compliance issues on behalf of U.S. firms with host government officials and foreign business organizations. ITA's overseas presence will devote considerable time to addressing the needs of companies that seek to do business in new emerging, high volume markets. ITA's compliance staff will require new strategies to address key trade areas for these markets and will face complex issues involving commercial law requirements in non-market economies and approaches to address issues like violation of intellectual property rights, a significant trade problem in China, Malaysia, and Vietnam.

### ***Improved Customer Service***

ITA is taking a systemic approach to assessing and addressing its customers' needs. It is critical that ITA consider this a priority since it must respond to shifting economic circumstances and the changes resulting from September 11. ITA had already begun to develop novel mechanisms for meeting client needs through e-commerce efforts, cooperative agreements, and its efforts to streamline coordination among trade supportive federal and state government agencies servicing its customers.

### ***ITA's Web-based Services***

In FY 2003, ITA is planning to gather data from customers in an ITA-wide customer survey to develop a baseline for ITA-wide customer performance and to enhance its understanding of client needs. This information, coupled with ITA management's commitment to improve client service, will be used for defining and refining performance measurements and targets.

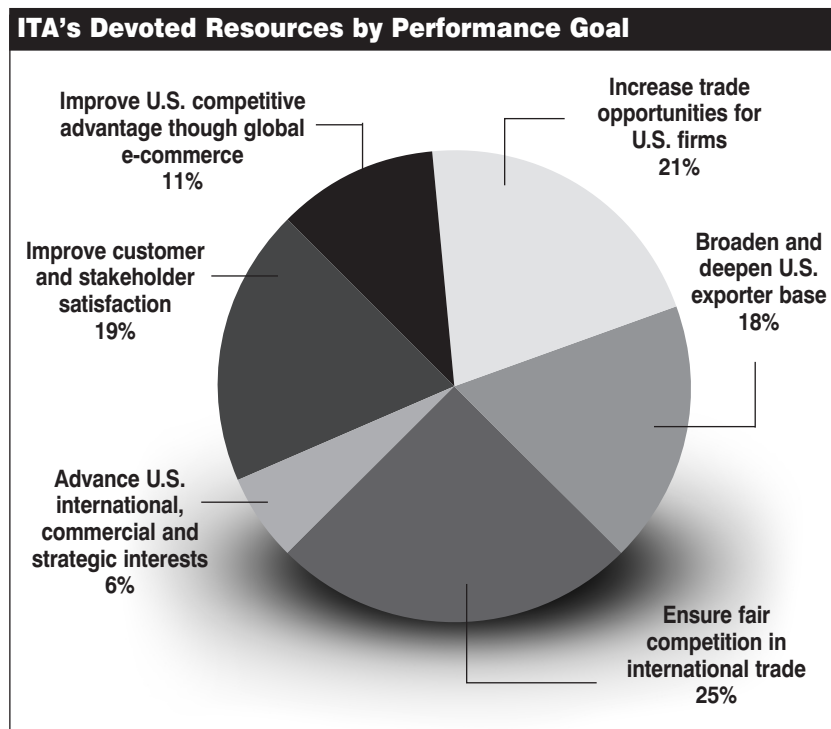
ITA structures its operations and designs programs to reach under-served communities and prepare them for exporting. Sixty percent of U.S. exporters use Web sites as a primary source of Web-based information. Projects underway to help U.S. companies take advantage of technological advances include outreach seminars and a hotline to resolve customer complaints. ITA's FY 2002 quarterly survey of the Export.gov Web site showed 84 percent satisfaction. Customers have commented on ITA's efforts to go the extra mile, ensuring that inquiries are followed up, checking to see that correct information was sent, and in many cases, customizing information to meet the customer's needs. ITA will make every effort to secure its Information Technology infrastructure through a proposed FY 2004 budget increase. It must ensure it has reliable data as well as a stable infrastructure to preserve the integrity of the data.

### ***Other Key Challenges***

- The worldwide economy has been sluggish for over a year and ITA must balance new foreign policy and security goals while facing the challenge of expanding its U.S. market base. This enables ITA to support the President's goal to promote freedom and liberty through free trade while maintaining ITA's goal of expanding markets for U.S. goods and services.

- ITA’s efforts to bring geopolitical stability to uncertain areas of the globe through enhanced opportunity and economic development for citizens in these unstable regions are an important trade and foreign policy goal. IT will accomplish these challenges through various means:
  - AGOA and CBI initiatives – The African Growth and Opportunity Act and ITA’s Caribbean Basin Initiative support the development of export opportunities, increased economic interrelations and greater stability and regard for American values in critically unstable regions of the globe.
  - Middle East initiative – A central goal of the effort is to develop economic opportunities in countries such as Oman and Morocco.
  - National Energy Policy – Development of a solid energy plan brings significant opportunities to the U.S. economy and alleviates dependency on foreign sources of oil. The new National Energy policy assists with ITA’s compliance efforts to identify and remove barriers in the global energy trade.
  - In FY 2003 and FY 2004, ITA will continue to target countries with high trade potential that also address the current security concerns of the U.S. ITA measures the dollar values and the percent change in dollar values in priority markets as these opportunities are identified and acted upon.

**FY 2004 Program Resources by Performance Goal**



## FY 2004 Program Changes

(Dollars in Thousands)

The FY 2004 budget focuses on the resources needed in the upcoming fiscal year that will enable ITA to help its business clients meet the challenges and demands in the international marketplace.

	Base		Increase / Decrease	
	FTE	Amount	FTE	Amount
Executive direction/administration	162	\$25,964	3	+\$3,745

An increase (3 FTE,+\$3,745) is requested to ensure all ITA Information Technology (IT) assets are protected from both internal and external threats inherent in a globally interconnected environment. The security improvements to be accomplished with these funds will provide proper safeguards. Through this request, ITA will address critical IT concerns raised by the General Accounting Office's (GAO's) review<sup>10</sup> of IT security in the Commerce Department, as well as contractor-performed risk evaluations of ITA systems and IT security.

<sup>10</sup> GAO Report Number: GAO-01-751

## Targets and Performance Summary

See Individual Performance Goal section for further description of each measure.

### Performance Goal 1: Increase Trade Opportunities for U.S. Firms

	FY 1999 Actual	FY 2000 Actual	FY 2001 Actual	FY 2002 Target	FY 2002 Actual	FY 2003 Target	FY 2004 Target
Number of new or enhanced sector entities to promote U.S. exports	New	New	New	36	Not Implemented	50	50
Place holder for FY 2004 measures on trade and economic analysis and international trade negotiations <sup>1</sup>	New	New	New	New	New	New	New
Number of new-to-market firms	67,835	54,307	63,719	54,000	64,263	Discontinued	Discontinued

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

	FY 1999 Actual	FY 2000 Actual	FY 2001 Actual	FY 2002 Target	FY 2002 Actual	FY 2003 Target	FY 2004 Target
Percentage of undertaken advocacy actions completed successfully	New	New	New	15% to 20%	11.8%	12% to 15%	12% to 15%
Dollar value of completed advocacies (U.S. export content)	New	New	New	\$3B to \$4B	\$8.64B	\$4B to \$6B	\$4B to \$6B
Number of U.S. exporters entering new market	New	4,502	5,386	5,900	5,740	6,500	7,100
Number of U.S. firms exporting for the first time	New	673	742	800	699	800	800
Number of export transactions made as a result of ITA involvement	New	New	11,160	12,300	12,178	13,500	15,000
Number of new-to-export firms	42,351	33,514	20,422	30,000	21,850	Discontinued	Discontinued

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

	FY 1999 Actual	FY 2000 Actual	FY 2001 Actual	FY 2002 Target	FY 2002 Actual	FY 2003 Target	FY 2004 Target
Percentage of antidumping or countervailing duty cases completed on time	New	New	New	100%	100%	100%	100%
Number of market access and compliance cases initiated	New	New	New	New	253	180 to 210	150 to 160
Number of market access and compliance cases concluded	New	New	New	New	New	30 to 40	50 to 60
Dollar value of trade barriers addressed	New	New	New	New	\$40.2B	\$15B to \$20B	Discontinued
Number of AD/CVD cases processed	134	185	136	136	183	Discontinued	Discontinued



**Performance Goal 4: Advance the United States' International Commercial and Strategic Interest**

	FY 1999 Actual	FY 2000 Actual	FY 2001 Actual	FY 2002 Target	FY 2002 Actual	FY 2003 Target	FY 2004 Target
Dollar exports in targeted products and markets	New	New	New	\$175B	\$166.3B	\$160B-\$180B	\$160B-\$180B

**Performance Goal 5: Improve customer and stakeholder satisfaction<sup>1</sup>**

	FY 1999 Actual	FY 2000 Actual	FY 2001 Actual	FY 2002 Target	FY 2002 Actual	FY 2003 Target	FY 2004 Target
Customer satisfaction with ITA's products or services	New	New	New	New	New	66% to 70%	66% to 70%
Customer perception of ease of access to export and trade information and data	New	New	New	New	New	60% to 80%	60% to 80%
Level of awareness of ITA products and services	New	New	New	New	New	3.5 mean	3.5 mean
Employee job satisfaction	New	New	New	3.5 mean	Not Implemented	3.5 mean	3.5 mean
Number of customers acquired through proactive ITA efforts	New	New	New	New	New	1,000	1,000
Number of U.S. exporter activities undertaken per customer surveyed	New	New	New	New	New	2	2

**Performance Goal 6: Improve the U.S. Competitive Advantage through Global e-commerce**

	FY 1999 Actual	FY 2000 Actual	FY 2001 Actual	FY 2002 Target	FY 2002 Actual	FY 2003 Target	FY 2004 Target
Number of new subscribers using BuyUSA.com e-services	New	New	339	1,500	564	650	715
Customer perception of portal ease of use	New	New	New	Greater than 50%	84.4%	Greater than 70%	Greater than 70%
Percentage of ITA's significant products and services provided electronically to external customers	New	New	New	50%	Not implemented <sup>2</sup>	75% to 80%	85% to 95%

<sup>1</sup> These measures are under development and will contain actual data during FY 2003.

<sup>2</sup> Data are not available at the time of this publication because data sources are currently under development.

## Resource Requirements Summary

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

### Information Technology (IT)

### Full-Time Equivalent (FTE)

#### Performance Goal 1: Increase Trade Opportunities for U.S. Firms

	FY 1999 Actual	FY 2000 Actual	FY 2001 Actual	FY 2002 Actual	FY 2003 Estimate	FY 2004 Base	Increase/ Decrease	FY 2004 Request
Trade Development	New	New	18.6	17.2	18.6	19.0	0.0	19.0
Market Access and Compliance	New	New	1.5	1.9	2.6	2.0	0.0	2.0
Import Administration	New	New	0.0	0.0	0.0	0.0	0.0	0.0
US&FCS Administration	New	New	73.0	62.4	66.4	65.8	0.0	65.8
Total Funding	New	New	93.1	81.5	87.6	86.8	0.0	86.8
IT Funding <sup>1</sup>	New	New	7.0	6.6	5.3	7.5	0.0	7.5
FTE	New	New	563	463	518	522	0	522

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

	FY 1999 Actual	FY 2000 Actual	FY 2001 Actual	FY 2002 Actual	FY 2003 Estimate	FY 2004 Base	Increase/ Decrease	FY 2004 Request
Trade Development	27.4	28.7	17.9	21.4	18.0	18.2	0.0	18.2
Market Access and Compliance	2.5	2.4	1.5	1.9	2.6	2.0	0.0	2.0
Import Administration	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
US&FCS Administration	88.5	93.1	58.4	52.0	55.4	55.7	0.0	55.7
Total Funding	118.4	124.0	77.8	75.3	76.0	75.9	0.0	75.9
IT Funding <sup>1</sup>	8.8	8.9	5.9	5.6	4.6	6.4	0.0	6.4
FTE	900	904	468	424	448	454	0	454

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

	FY 1999 Actual	FY 2000 Actual	FY 2001 Actual	FY 2002 Actual	FY 2003 Estimate	FY 2004 Base	Increase/ Decrease	FY 2004 Request
Trade Development	5.4	6.4	6.6	6.9	6.7	6.7	0.0	6.7
Market Access and Compliance	15.0	17.6	18.6	24.2	32.3	24.6	0.0	24.6
Import Administration	26.8	31.3	33.0	40.9	46.4	48.7	0.0	48.7
US&FCS	3.4	4.0	4.1	20.8	22.2	22.3	0.0	22.3
Administration	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Funding	50.6	59.0	62.3	92.8	107.6	102.3	0.0	102.3
IT Funding <sup>1</sup>	3.7	3.7	4.9	4.6	6.6	5.3	0.0	5.3
FTE	376	378	418	571	703	722	0	722

**Performance Goal 4: Advance the United States' International Commercial and Strategic Interest**

	FY 1999 Actual	FY 2000 Actual	FY 2001 Actual	FY 2002 Actual	FY 2003 Estimate	FY 2004 Base	Increase/ Decrease	FY 2004 Request
Trade Development	21.4	20.8	3.3	9.0	3.4	3.3	0.0	3.3
Market Access and Compliance	13.6	13.2	2.1	2.7	3.6	2.8	0.0	2.8
Import Administration	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
US&FCS	78.6	84.2	10.4	16.7	17.6	17.8	0.0	17.8
Administration	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Funding	113.6	110.0	15.8	28.4	24.6	23.9	0.0	23.9
IT Funding <sup>1</sup>	7.7	7.7	1.2	1.1	1.5	1.3	0.0	1.3
FTE	770	776	96	157	144	144	0	144

**Performance Goal 5: Improve Customer and Stakeholder Satisfaction**

	FY 1999 Actual	FY 2000 Actual	FY 2001 Actual	FY 2002 Actual	FY 2003 Estimate	FY 2004 Base	Increase/ Decrease	FY 2004 Request
Trade Development	New	New	10.0	12.5	10.0	10.1	0.0	10.1
Market Access and Compliance	New	New	2.9	3.8	5.1	4.0	0.0	4.0
Import Administration	New	New	3.9	4.6	5.1	5.4	0.0	5.4
US&FCS	New	New	31.3	31.3	33.2	33.4	0.0	33.4
Administration	New	New	12.3	13.3	26.3	26.8	3.7	30.5
Total Funding	New	New	60.4	65.5	79.7	79.7	3.7	83.4
IT Funding <sup>1</sup>	New	New	4.5	4.2	4.3	4.8	0.0	4.8
FTE	New	New	436	442	483	484	3	487

**Performance Goal 6: Improve the U.S. Competitive Advantage through Global e-commerce**

	FY 1999 Actual	FY 2000 Actual	FY 2001 Actual	FY 2002 Actual	FY 2003 Estimate	FY 2004 Base	Increase/ Decrease	FY 2004 Request
Trade Development	8.1	8.5	10.0	2.0	9.9	10.2	0.0	10.2
Market Access and Compliance	2.3	2.5	2.9	3.8	5.1	3.9	0.0	3.9
Import Administration	1.6	1.6	1.9	0.0	0.0	0.0	0.0	0.0
US&FCS	25.6	26.6	31.3	25	26.6	26.9	0.0	26.9
Administration	1.8	1.9	2.2	2.3	4.6	4.8	0.0	4.8
Total Funding	39.1	41.0	48.3	33.1	46.2	45.8	0.0	45.8
IT Funding <sup>1</sup>	3.0	3.0	3.7	3.5	3.1	4.0	0.0	4.0
FTE	314	316	305	198	270	270	0.0	270

<b>Grand Total</b>	FY 1999 Actual	FY 2000 Actual	FY 2001 Actual	FY 2002 Actual	FY 2003 Estimate	FY 2004 Base	Increase/ Decrease	FY 2004 Request
Total Funding	321.7	334.0	357.7	376.6	421.7	414.4	3.7	418.1
Direct	317.4	325.0	342.2	365.8	385.7	378.4	26.0	382.0
Reimbursable <sup>2</sup>	14.3	9.0	15.5	11.1	36.0	36.0	0.0	36.0
IT Funding <sup>1</sup>	23.2	23.8	27.2	25.6	25.4	29.3	0.0	29.3
FTE	2,359	2,344	2,286	2,255	2,566	2,596	3	2,599

<sup>1</sup> IT funding included in total funding. IT requirements include infrastructure and related mission systems.

<sup>2</sup> Reimbursable funding included in total funding.

## Skill Summary

The following list describes ITA's core competencies:

- In-depth knowledge of international and domestic trade laws and regulations.
- Country and/or industry-sector expertise.
- Specialized knowledge and experience in export marketing and promotion.
- Understanding of foreign trade practices, trade programs and policies.
- In-depth knowledge of trade-distorting practices.
- 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.
- Project management skills — to lead and manage projects and contracted work.

## FY 2002 Performance Goals

### Performance Goal 1: Increase Trade Opportunities for U.S. Firms

#### Corresponding Strategic Goal

Strategic Goal 1: Provide the information and the framework to enable the economy to operate efficiently and equitably.

#### Rationale for Performance Goal

Working to open previously closed foreign markets is one of the most important contributions the U.S. government can make to achieve the goal of increasing trade opportunities for U.S. firms. The U.S. government attempts to obtain market access through bilateral and multilateral trade negotiations and through government-to-government cooperative efforts to remove non-tariff trade barriers. The passage of Trade Promotion Authority (TPA) offers new challenges and opportunities for the U.S. to open foreign markets by providing an important tool to break down barriers with all countries.

The International Trade Administration (ITA) will play a pivotal role in international trade negotiations to build free trade relations with Chile, Singapore and Morocco. ITA provides analysis, expertise, and staff support needed during the negotiations of the Free Trade Agreement of the Americas (FTAA) and with regional agreements with the nations of Central America and the Southern Africa Customs Union. ITA is responsible for implementing Commerce's role in the Doha Development Round of the World Trade Organization negotiations, working to remove non-tariff barriers 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.

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

	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004
Target	New	New	New	36	50	50
Actual				Not Implemented		
Met/Not Met				Not Met		

#### Explanation of Measure

To identify U.S. industry trade policy needs, ITA manages a number of public/private partnership activities – seventeen Industry Sector 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 intended 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. 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. Enhanced partnership is a partnership that is changed so that it more positively affects the achievement of ITA goals and objectives.

### ***FY 2003 & FY 2004 Targets***

This is a new performance measure that will be implemented in FY 2003. The delay in the implementation occurred due to the amount of information that has to be analyzed to establish a baseline. Once the data is received from offices located in headquarters and domestic field and overseas posts, and identification of reporting requirements is completed, ITA can establish baseline figures that will enable changes from baseline data to be measured.

Targets established for FY 2003 through FY 2004 are based on best available data at the time of this publication, although data sources are still being refined to obtain actual results in order to implement a baseline measure.

### **Measure 1b: Placeholder for New Measure Dealing with International Trade Negotiations**

	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004
Target						New
Actual						
Met/Not Met						

ITA is currently developing an approach to measure ITA's contributions to bilateral and multilateral negotiations. A measure will be refined by mid FY 2003 and ITA will begin to collect data for FY 2004.

## **Program Evaluation**

In support of the "Increase Trade Opportunities for U.S. Firms" performance goal, ITA, together with the Trade Promotion Coordinating Committee (TPCC), conducted a survey of U.S. firms that focused on improvement of assistance to U.S. companies in entering and thriving in the world market. The survey also recommended actions that directly address ITA's clients' needs, reflect successful practices of its trading partners, and leverage resources across the agencies. The survey recommendations included a coordinated approach to identifying major projects opportunities early enough that U.S. firms can effectively compete; improved customer service; and a need for a more effective outreach strategy.

## **Discontinued Measure**

### **Number of New-to-Market Firms**

	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004
Target	45,919	47,437	54,779	54,000	Discontinued	Discontinued
Actual	67,835	54,307	63,719	64,263		
Met/Not Met	Met	Met	Met	Met		

## Explanation of Measure

ITA will discontinue this performance measure because it recorded the number of firms that were planning to enter a new market and for which ITA provided export assistance services. The measure of the "Number of U.S. Exporters Entering a New Market for the First Time" replaces the discontinued measure. The new performance measures report only on new U.S. exporters that transact an actual verifiable export sale.

## Cross-cutting Activities

### *Intra-Department of Commerce*

- National Institute of Standards and Technology—provides Standards Attachés at certain overseas posts to help ITA devise strategies that address regulatory barriers on standards. This is especially relevant where markets have several standards when U.S. firms gain an advantage if ITA's standard is adopted or where U.S. firms can develop a product to meet the foreign standard.
- 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.

### *Other Government Agencies*

- Customs Service—ensures the prompt and accurate implementation of duty collection based on ITA's decisions on antidumping or countervailing duty cases.
- Federal Aviation Administration—advises ITA on strategies to address foreign regulatory barriers and security standards for transportation.
- Department of State—economic officers assist with market research and compliance projects in countries where U.S. & Foreign Commercial Service (US&FCS) does not maintain or has deployed minimal commercial staff.
- TPCC—TPCC coordinates implementation of trade finance and trade promotion programs of the nineteen 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 twenty-eight 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 ten Congressional representatives. The Industry Consultations Program, which consists of twenty-two 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 identifies these changes and adopts 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 the most labor-intensive component of the U.S. negotiating agenda, the World Trade Organization Doha Development 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 establish mechanisms that 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: Broaden and Deepen U.S. Exporter Base

### Corresponding Strategic Goal

Strategic Goal 1: Provide the information and the framework to enable the economy to operate efficiently and equitably.

### Rationale for Performance Goal

The International Trade Administration (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 small and medium-sized enterprises (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 Trade Promotion Coordinating Committee (TPCC). The chief aim is to consistently deliver the complete package of export assistance to businesses throughout the U.S. 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.

<b>Measure 2a: Percentage of Undertaken Advocacy Actions Completed Successfully</b>						
	<b>FY 1999</b>	<b>FY 2000</b>	<b>FY 2001</b>	<b>FY 2002</b>	<b>FY 2003</b>	<b>FY 2004</b>
Target	New	New	New	15% to 20%	12% to 15%	12% to 15%
Actual				11.8%		
Met/Not Met				Not Met		

### Explanation of Measure

This performance measure captures information about the effectiveness of ITA's advocacy efforts and supports that broaden and deepen the U.S. exporter base performance goal by measuring the percentage of successful advocacy awards made to U.S. firms or interests during a fiscal year. The success of the U.S.'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 2003 & FY 2004 Targets***

ITA did not meet its FY 2002 target. The target reported is based on preliminary fourth quarter data, that does not reflect reports from all of the advocacy actions undertaken. ITA expects to meet the target for FY 2002 once the Advocacy Center completes a survey of its customers in March 2003 and all lagging data are reported. FY 2003 through FY 2004 targets reflect historical information maintained by the ITA's Advocacy Center, as well as preliminary FY 2002 actual performance.

<b>Measure 2b: Dollar Value of Completed Advocacies (U.S. Export Content)</b>						
	<b>FY 1999</b>	<b>FY 2000</b>	<b>FY 2001</b>	<b>FY 2002</b>	<b>FY 2003</b>	<b>FY 2004</b>
Target	New	New	New	\$3B to \$4B	\$4B to \$6B	\$4B to \$6B
Actual				\$8.64B		
Met/Not Met				Met		

**Explanation of Measure**

This measure captures information on the effectiveness of ITA's advocacy efforts and supports that broaden and deepen the U.S. export base performance goal. 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 performance measure contained in the FY 2001 Annual Performance Plan, dollar value of gross exports supported through advocacy efforts, reported the total value of foreign contracts.

The success of the U.S.'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 trade promotion and deal making, especially where U.S. firms are bidding on major projects overseas. Through its advocacy efforts, ITA supports three basic U.S. firm needs: access to new markets, entry to markets, and expansion of export activities

***FY 2003 & FY 2004 Targets***

FY 2003 through FY 2004 targets reflect the preliminary actual FY 2002 performance, historical information maintained by the ITA's Advocacy Center, and projected domestic and international economic conditions.

<b>Measure 2c: Number of U.S. Exporters Entering New Market</b>						
	<b>FY 1999</b>	<b>FY 2000</b>	<b>FY 2001</b>	<b>FY 2002</b>	<b>FY 2003</b>	<b>FY 2004</b>
Target	New	New	4,540	5,900	6,500	7,100
Actual		4,502	5,386	5,740		
Met/Not Met			Met	Not Met		

## Explanation of Measure

This performance measure helps to assess ITA's success bringing in U.S. exporters to a new overseas market and measures ITA's effectiveness in promoting trade. ITA will record and report on a 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 twenty-four months, prior exports have resulted from unsolicited orders, or exports were made through a U.S.-based intermediary. The definition has been revised to create more meaningful data about ITA's success in helping U.S. firms export. Previously, ITA recorded the number of firms that were planning to export to a new market to which ITA provided export assistance services. Now, ITA will report only on U.S. firms that transact an actual verifiable export sale or other export related activity.

### *FY 2003 & FY 2004 Targets*

ITA has developed targets based on the information captured by the Client Management System maintained by the U.S. and Foreign Commercial Service (U.S.&FCS). Targets for FY 2003 through FY 2004 have been revised downward reflecting the actual FY 2002 performance and projected worldwide economic conditions.

<b>Measure 2d: Number of U.S. Firms Exporting for the First Time</b>						
	<b>FY 1999</b>	<b>FY 2000</b>	<b>FY 2001</b>	<b>FY 2002</b>	<b>FY 2003</b>	<b>FY 2004</b>
Target	New	New	679	800	800	800
Actual		673	742	699		
Met/Not Met			Met	Not Met		

## Explanation of Measure

ITA focuses on small and medium- sized enterprises (SMEs) that are export-ready. Export ready firms are those with competitive products or services and that already possess a level of financial and managerial strength that enables them to export. To assess ITA's success in bringing in new U.S. businesses to exporting and to measure ITA's effectiveness in promoting trade, 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. 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.

***FY 2003 & FY 2004 Targets***

ITA has developed targets based on the information captured in FY 2002 by the Client Management System maintained by the U.S.&FCS. Additionally, targets for FY 2003 through FY 2004 have been revised downward to reflect worldwide economic slowdown.

<b>Measure 2e: Number of Export Transactions Made as a Result of ITA Involvement</b>						
	<b>FY 1999</b>	<b>FY 2000</b>	<b>FY 2001</b>	<b>FY 2002</b>	<b>FY 2003</b>	<b>FY 2004</b>
Target	New	New	9,253	12,300	13,500	15,000
Actual			11,160	12,178		
Met/Not Met			Met	Not 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 a results-oriented performance measure that 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 trade promotion 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.

***FY 2003 & FY 2004 Targets***

ITA has developed targets based on the information captured in FY 2002 by the Client Management System maintained by the U.S.&FCS. Targets for FY 2003 through FY 2004 have been derived after consultations with project managers.

**Program Evaluation**

In support of the "Broaden and Deepen U.S. Exporter Base" performance goal, ITA undertook a review of several overseas offices to assess the performance of ways that U.S. firms find potential distributors and buyers, and the research that is conducted to support U.S. firms' best prospects for U.S. goods and services. General reviews of operations were conducted of foreign posts in Venezuela, Greece, and Indonesia, and reviews of administrative operations were conducted in Poland, the Czech Republic and The Hague. Reviews were designed to increase the efficiency and effectiveness of the Foreign Commercial Service's efforts to broaden and deepen the export base in those markets. Findings and recommendations called for strengthening internal management processes. Recommendations are implemented at each post upon completion of the management and program reviews.

## Discontinued Measure

### Number of New-to-Export Firms

	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004
Target	25,260	26,089	30,336	30,000	Discontinued	Discontinued
Actual	42,351	33,514	20,422	21,850		
Met/Not Met	Met	Met	Not Met	Not Met		

## Explanation of Measure

ITA discontinued this measure because it recorded the number of firms that ITA provided export assistance services that were only *planning* to export. The measure tracking the number of U.S. firms exporting for the first time replaces the discontinued measure because the newer measure captures *actual* and verifiable export sales.

## 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 future bilateral or multilateral agreements.
- National Institute of Standards and Technology—to coordinate our efforts to help SMEs export new technology, to execute a cooperative agreement to provide standards attachés, and to coordinate trade initiatives with the National Institute of Standards and Technology's technology development and commercialization programs.
- National Oceanic and Atmospheric Administration—to coordinate trade initiatives with the National Oceanic and Atmospheric Administration'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—economic officers assist with market research projects in countries where U.S.&FCS does not maintain staff.
- Department of Agriculture—provides grant assistance for U.S.&FCS export counseling in rural areas.

- Bureau of Indian Affairs in the Department of the Interior—provides industry expertise for ITA tourism development efforts.
- U.S. Agency for International Development—provides grant assistance for various overseas projects (for example, American business centers in Russia).
- Trade Promotion Coordinating Committee—coordinates the implementation of trade finance and trade promotion programs of the nineteen TPCC-member agencies (International Development, Agriculture, Commerce, Defense, Energy, Interior, Labor, State, Transportation, and Treasury, Small Business Administration, Export-Import Bank of the U.S., U.S. Trade Development Agency, U.S. Trade Representative, Office of Management and Budget, Council of Economic Advisors, National Economic Council, Environmental Protection Agency, and Overseas Private Investment Cooperation).

### ***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 fifty-six DECs composed of more than 1,500 members.

## **External Factors and Mitigation Strategies**

ITA's success in achieving this goal partially 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 eighty-four 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 helps U.S. exporters combat market access problems and unfair trade barriers by eliminating barriers to U.S. exports overseas and by ensuring foreign compliance with the U.S. negotiated trade agreements.

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

### Corresponding Strategic Goal

Strategic Goal 1: Provide the information and the framework to enable the economy to operate efficiently and equitably.

### Rationale for Performance Goal

The International Trade Administration (ITA) is committed to building a rules-based trading system in which international trade is both free and fair for U.S. firms and workers by combating subsidy of imports; combating dumping, where foreign goods are "dumped" at less than market value; 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 U.S. 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.

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 Office of the U.S. Trade Representative (USTR) on enforcement actions. ITA's Trade Compliance Center monitors trade agreements for implementation by foreign governments and for identification of compliance problems.

<b>Measure 3a: Percentage of AD/CVD Cases Completed On Time</b>						
	<b>FY 1999</b>	<b>FY 2000</b>	<b>FY 2001</b>	<b>FY 2002</b>	<b>FY 2003</b>	<b>FY 2004</b>
Target	New	New	New	100%	100%	100%
Actual				100%		
Met/Not Met				Met		

### Explanation of Measure

The number of AD/CVD cases completed on time is a reflection of the vigilance of Import Administration (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.

This performance measure captures the timeliness factor of a major part of resources devoted to ITA's mandate to defend U.S. industry against injurious trade practices by administering the AD/CVD laws of the United States.

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 ITA's receipt of AD/CVD cases from domestic industry rises.

### ***FY 2003 & FY 2004 Targets***

ITA has developed targets based on the data maintained by ITA's Import Administration. Targets for FY 2003 through FY 2004 reflect the number of antidumping/countervailing duty cases completed by the unit in FY 2002.

<b>Measure 3b: Number of Market Access and Compliance Cases Initiated</b>						
	<b>FY 1999</b>	<b>FY 2000</b>	<b>FY 2001</b>	<b>FY 2002</b>	<b>FY 2003</b>	<b>FY 2004</b>
Target	New	New	New	New	180 to 210	150 to 160
Actual				253		
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 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. This measure holds tremendous promise for ITA as the Agency proceeds in the Doha round of trade negotiations. The new WTO round, as many in the trade community know, will likely focus on issues impacting developing nations. Lessons learned from compliance cases initiated will enable ITA negotiators to have a better perspective on key issues in the developing world.

### ***FY 2003 & FY 2004 Targets***

This is a new performance measure for which targets represent raw estimates. ITA started data collection in FY 2002. The FY 2003 and FY 2004 targets have been derived based on the reports received in FY 2002, but also on program managers' best estimates of potential workload including pending bilateral and multilateral negotiations. It is for this reason that ITA has not adjusted its FY 2003 and FY 2004 targets upward based on FY 2002 actual performance. Improved targets will be developed as more data becomes available in FY 2003 and FY 2004.



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

	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004
Target	New	New	New	New	30 to 40	50 to 60
Actual						
Met/Not Met						

**Explanation of Measure**

This performance measure addresses ITA's efforts to obtain 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: case was successfully resolved; complaint was groundless, i.e., no violation; industry decides not to pursue complaint; case referred to USTR for consideration for formal dispute settlement resolution ; or 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 2003 & FY 2004 Targets***

This is a new performance measure for which targets are estimates until a baseline of performance is established. FY 2002 actual data are not available. ITA will obtain FY 2003 actual data and report a baseline derived from the collected data.

**Program Evaluation**

In support of the "Ensure Fair Competition in International Trade" performance goal, the Office of Inspector General issued an inspection report on ITA's trade compliance efforts, with a specific focus on the activities of the Trade Compliance Center (TCC). The report, dated March 2002, sought to determine whether the trade agreement compliance process, as managed by the TCC, was efficient, effective, and responsive to client needs. The findings and recommendations included four key findings to be implemented in the next year: 1) a call for a better coordination within ITA programs for trade agreement compliance work, 2) the creation of a central compliance database to capture work performed by various ITA units, 3) reexamination of compliance performance measures, and 4) additional improvements to the complaint process. All have already been implemented.

**Discontinued Measures****Dollar Value of Trade Barrier Addressed**

	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004
Target	New	New	New	New	\$15B to \$20B	Discontinued
Actual				\$40.2B		
Met/Not Met						

## Explanation of Measure

ITA ensures fair competition by obtaining greater market access for U.S. companies by eliminating barriers to U.S. exports overseas and ensuring foreign compliance with negotiated trade agreements. This performance measure has been discontinued since the data presented is based on a projection of potential growth in the U.S. share of the foreign market for both the company involved and for U.S. industry as a whole, or it is based on firm or industry-provided estimates. Dollar value of trade barriers addressed may not constitute dollar value to U.S. firms, because opportunities are available for all firms to compete. Given the above limitations, ITA has introduced a new performance measure, "Number of market access and compliance cases concluded," that addresses ITA's efforts to obtain market access for U.S. exporters and achieve foreign government compliance with trade agreements.

<b>Number of AD/CVD Cases Processed</b>						
	<b>FY 1999</b>	<b>FY 2000</b>	<b>FY 2001</b>	<b>FY 2002</b>	<b>FY 2003</b>	<b>FY 2004</b>
Target	141	103	185	136	Discontinued	Discontinued
Actual	134	185	136	183		
Met/Not Met	Not Met	Met	Not Met	Met		

## Explanation of Measure

The number of AD/CVD cases completed depends on the number of injurious trade actions taken by foreign governments and/or foreign companies. Workload is thus totally controlled by the parties who participate in the AD/CVD cases. While the Department of Commerce has the legal authority to initiate AD/CVD investigations, it rarely does. Thus, domestic industry generates virtually all AD/CVD cases. There is no way to anticipate whether a party would petition for an investigation or request an administrative review in any given year. ITA cannot solicit AD/CVD cases and, therefore, the use of the term "target" is inappropriate. Rather, the stated target simply reflects management's best estimate of what the caseload might be in a given year. No valid methodology exists to project caseload in future years, and the measure will be discontinued as a strategic performance indicator.

However, this measure is a useful workload indicator for ITA, depicts petitioner demand, and will continue to be used as source data for ITA's new AD/CVD measure, "percentage of AD/CVD cases completed on time." The new performance measure will report on the timeliness of AD/CVD casework completion because the timeframe for completing cases is within management's control and has set statutory deadlines.

## Cross-cutting 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 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. Customs Service 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 U.S. Customs Service to ensure the prompt and accurate implementation of ITA's decisions. The U.S. Customs Service then collects cash deposits and final duty assessments. ITA responds to inquiries from the U.S. Customs Service's 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, 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 take full advantage of export opportunities.

## **External Factors and Mitigation Strategies**

All trade is subject to sharp changes in economic performance in world markets; 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, it will expand its 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.

## Performance Goal 4: Advance the United States' International Commercial and Strategic Interests

### Corresponding Strategic Goal

Strategic Goal 1: Provide the information and the framework to enable the economy to operate efficiently and equitably.

### 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 U.S. exporters with numerous challenges and opportunities. There are new markets to target, new trade barriers to overcome, a need for differing types of export assistance, shifts in industry dynamics, a stronger role for international organizations and alliances, and various policy mandates to be considered, including foreign policy and U.S. security goals.

The International Trade Administration (ITA) advances U.S. international commercial and strategic interests by creating an infrastructure that encourages economic growth, technological competitiveness, and sustainable development. This is achieved through mobilization of financing and development of commercial infrastructure in target countries, increased information flow to U.S. exporters about target countries, increased facilitation of business-to-business exchange or contact in target countries, and increased compliance with accepted business standards and potential sanctions. ITA works with other U.S. government agencies to encourage foreign policy and assistance programs to include a role for expanding U.S. business in economic development. ITA has had significant success in 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..."<sup>11</sup> 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), contributing both to U.S. economic goals and global stability.

#### Measure 4a: Dollar Exports in Targeted Products and Markets

	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004
Target	New	New	New	\$175B	\$160B-\$180B	\$160B-\$180B
Actual				\$166.3B		
Met/Not Met				Not Met		

### Explanation of Measure

Exports have accounted for almost one-quarter of U.S. economic growth during the past decade. 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 exports in priority markets, captures the dollar value of exports generated by U.S. businesses in targeted sectors both in total and for individual foreign markets that are attributable to ITA programs. The FY 2002 and FY 2003 targets have been adjusted based on the actual exports data collected in FY 2002.

<sup>11</sup> Radio Address of the President to the Nations, April 27, 2002.

The measure in FY 2002 represents the change in total dollar value of incremental exports by U.S. businesses in markets that have been listed as targeted markets or sectors for ITA. ITA management identified energy, telecommunications, services, and environment as targeted market or sectors. As indicated in ITA's FY 2004 Budget submission, ITA has proposed several initiatives to increase trade opportunities in promising markets and sectors. It has proposed significant initiatives to support development of commercial infrastructures through capacity building and technical assistance, support for ITA's tourism markets, focus on its financial services market and area where the U.S. can drive the global economy, support for a standards strategy and a carefully orchestrated support posture for the Doha round negotiations.

### ***FY 2003 & FY 2004 Targets***

This is a new performance measure for which targets represent raw estimates. ITA started data collection in FY 2002. The FY 2003 and FY 2004 targets have been derived based on the reports received for FY 2002 and projected state of the world economy.

## **Program Evaluation**

On November 14, 2001 in Doha, Qatar, the members of the World Trade Organization (WTO) agreed on a new work program that includes comprehensive multilateral trade negotiations, which will take place over the next three years. ITA plays three significant roles in the trade negotiating process: 1) to ensure that its negotiating objectives reflect the current and future needs of U.S. industry; 2) that ITA's units participate in trade negotiations; and 3) that ITA is a key player in World Trade Organization (WTO) accession negotiations. Future WTO work will cover a variety of areas affecting international business and commerce, including industrial tariff and non-tariff barriers, agriculture, services, and trade rules. The members will take up additional areas of negotiation, such as investment rules and competition, after the second half of 2003. At the end of the negotiations, U.S. exporters of industrial and agricultural goods and services should find that they have improved access to overseas markets.

## **External Factors and Mitigation Strategies**

There are several critical external factors in the trade environment that will affect the success of ITA's efforts. Foreign political instability and war can disrupt commercial infrastructure and means of exchange. New and changing foreign governments can create new barriers to access for U.S. companies. Economic shocks in foreign markets can adversely affect demand for U.S. exports. Relative strength of U.S. currency can make U.S. exports more costly in foreign markets.

ITA's mitigation strategies will address the impact of other nations' trade policies. ITA will support the President in reinvigorating the international trading system by supporting and participating in the new round of global negotiations, a Free Trade Area of the Americas, and other important regional and bilateral negotiations. ITA will carefully monitor the development of regulatory barriers that may put U.S. firms at a disadvantage in key foreign markets and seek their removal. ITA will work closely with foreign governments, especially in the developing world, to devise strategies that address regulatory barriers, head off potentially harmful regulations, and help share beneficial regulations and standards.

# Performance Goal 5: Improve Customer and Stakeholder Satisfaction

## Corresponding Strategic Goal

Strategic Goal 1: Provide the information and the framework to enable the economy to operate efficiently and equitably.

## Rationale for Performance Goal

In August 2001, President Bush announced his management agenda, which describes initiatives designed to create a government that is focused on results, is more accessible to its citizens and is client-centered. In support of the Administration's vision for government that is client-oriented, the International Trade Administration (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, service offerings, and service delivery capabilities from ITA to export more successfully in a fair trade environment. As ITA is finding from program analysis, U.S. businesses want online 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 partners with 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 small and medium-sized enterprises (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, and also meeting the expectations and needs of its stakeholders and customers.

### Measure 5a: Customer Satisfaction with the Quality of ITA's Products and Services

	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004
Target	New	New	New	New	66% to 70%	66% to 70%
Actual						
Met/Not 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, 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 2003 & FY 2004 Targets*

FY 2003 and FY 2004 targets are based on the best in class private sector's performance. Targets will be refined as better data become available.

### **Measure 5b: Customer Perception of Ease of Access to Export and Trade Information and Data**

	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004
Target	New	New	New	New	60% to 80%	60% to 80%
Actual						
Met/Not 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 its performance in this regard, ITA hopes 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 2003 & FY 2004 Targets*

FY 2003 and FY 2004 targets are based on the best in class private sector's performance. Targets will be refined as better data become available.

### **Measure 5c: Customer Value: Level of Awareness of ITA Products and Services**

	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004
Target	New	New	New	New	3.5 mean	3.5 mean
Actual						
Met/Not 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. ITA's customers are U.S. businesses. 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 ITA's products or services and measures how effective ITA is in seeking out potential customers.

### *FY 2003 & FY 2004 Targets*

Targets for FYs 2003 and 2004 displayed represent the best-in-class private sector's performance. Group mean rating for questions that deal with product satisfaction often range from 3.0 to 3.5. Data from an ITA-wide survey slated for FY 2003 will yield more accurate results and enable better targets to be defined.

<b>Measure 5d: Employee Job Satisfaction</b>						
	<b>FY 1999</b>	<b>FY 2000</b>	<b>FY 2001</b>	<b>FY 2002</b>	<b>FY 2003</b>	<b>FY 2004</b>
Target	New	New	New	3.5 mean	3.5 mean	3.5 mean
Actual	Not Implemented					
Met/Not Met	Not Met					

## Explanation of Measure

ITA seeks to improve individual and organizational performance by recruiting and retaining a high-quality, diverse workforce that is satisfied with the quality of its work life. This measure will help to ensure effective management of human resources and will improve ITA's organizational capabilities and flexibility. The ultimate objective of measuring employee job satisfaction is to improve individual and organizational performance by putting people first.

The measure is broadly defined. While the primary source of data will be answers to questions on the employee perception survey, other data, which can gauge the level of employee training and development, awards, and recognition, will supplement this source. The measure will also involve evaluating the effectiveness of quality-of-work-life programs (for example, telework, Alternate Work Schedules, and so on) to determine the extent to which these programs have an impact on overall job satisfaction.

### *FY 2003 & FY 2004 Targets*

FY 2003 and FY 2004 targets are based on an employee perceptions survey conducted in August 1999. ITA will conduct an annual employee perception survey, which will be determined and validated by outside contractors during FY 2003. Data generated from this survey will be used to update the FY 2003 and FY 2004 targets.



**Measure 5e: Number of Customers Acquired Through Proactive ITA Efforts**

	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004
Target	New	New	New	New	1,000	1,000
Actual						
Met/Not Met						

**Explanation of Measure**

This performance measure supports ITA's performance goal to increase trade opportunities for U.S. firms. It captures information on the number of U.S. businesses responding that have used ITA products or services for the first time as a result of ITA's proactive outreach efforts. ITA provides U.S. exporters with market information, advocacy assistance, trade compliance assistance, one-on-one export counseling and organizes trade events, matchmaking, and so on, thus encouraging and enabling U.S. companies to take full advantage of export opportunities.

***FY 2003 & FY 2004 Targets***

ITA has set base targets of 1,000 based on information partially derived from information contained in the "Number of Export Transactions Made as a Result of ITA Involvement," "Number of U.S. Firms Exporting for the First Time," and "Number of U.S. Exporters Entering a New Market" performance measures. Data from an ITA-wide survey slated for FY 2003 will yield more accurate results and enable targets to be refined.

**Measure 5f: Number of U.S. Exporter Activities Undertaken per Customer Surveyed**

	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004
Target	New	New	New	New	2	2
Actual						
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 2003 & FY 2004 Targets***

Targets for FYs 2003 and 2004 have been extrapolated from activities performed by ITA employees. Targets will be refined once the ITA-wide survey is completed.

## Program Evaluation

In FY 2002, ITA undertook a study of fees charged for services provided to U.S. small and medium-sized enterprises (SMEs). One of the most significant findings is that ITA is the low cost provider of export promotion services to the exporting community. ITA needs to develop a more sophisticated approach to marketing management to better deliver needed products and services to the SME community at a reasonable cost and in a uniform manner. ITA needs to realize greater efficiencies in its organizational and cost structures by improving its focus on its core products with the goal of developing production and distribution economies. The study also identified \$2.8 million of fees that can be recovered in the short-term. ITA is considering the findings and will develop an action plan to address the findings and recommendations presented in the study.

## 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—to coordinate efforts to help SMEs export new technology and coordinate trade initiatives with the National Institute of Technology'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.
- National Oceanic and Atmospheric Administration—to coordinate e-commerce trade initiatives with the National Oceanic and Atmospheric Administration's environmental programs.
- The Bureau of the Census—to fund reimbursable agreements to produce customized e-commerce statistics and collaborate 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 nineteen Trade Promotion Coordinating Committee 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 fifty-six 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.

# Performance Goal 6: Improve the U.S. Competitive Advantage through Global E-Commerce

## Corresponding Strategic Goal

Strategic Goal 1: Provide the information and the framework to enable the economy to operate efficiently and equitably.

## Rationale for Performance Goal

The International Trade Administration (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 the Export.gov, ITA's export portal, users 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 information technology (IT) to small and medium-sized enterprises (SMEs), standards, IT tariff elimination, and expanded IT market access.

### Measure 6a: Number of New Subscribers Using BuyUSA.com E-services

	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004
Target	New	New	5,000	1,500	650	715
Actual			371	564		
Met/Not Met			Not Met	Not 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 2003 & FY 2004 Targets*

The FY 2003 and FY 2004 targets have been revised downward to reflect the FY 2002 actual data available from the Web site.

#### **Measure 6b: Customer Perception of Portal Ease of Use**

	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004
Target	New	New	New	Greater than 50% satisfaction rate	Greater than 70% satisfaction rate	Greater than 70% satisfaction rate
Actual				84.4%		
Met/Not Met				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>12</sup> of small companies currently export. The online information on overseas markets and export services available through the U.S. government has historically left something to be desired. ITA's 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' responses 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 ITA portal based on customer feedback. ITA will seek a target of greater than 70 percent satisfaction with scores of 3 or higher on a scale of 1-5 for overall portal ease-of-use.

### *FY 2003 & FY 2004 Targets*

ITA started collecting data for this new performance measure in FY 2002 and obtained a representational result for FY 2002. ITA will review targets when the FY 2003 actual data become available during FY 2003.

<sup>12</sup> The 2002 National Export Strategy.

**Measure 6c: Percentage of ITA's Significant Products and Services Provided Electronically to External Customers**

	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004
Target	New	New	New	50%	75% to 80%	85% to 95%
Actual				Not Implemented		
Met/Not Met				Not Met		

*(This measure has been reworded since the publication of the FY 2001 Annual Program Performance Report and FY 2003 Annual Performance Plan. This measure was previously worded as "Percentage of ITA's Business Processes Provided Electronically to External Customers.")*

## Explanation of Measure

Based on Government Paperwork Elimination Act requirements, ITA is required to offer business processes electronically by October 2003, where practicable.

U.S. exporters expressed a need for fast access to ITA products and services. This performance measure will track ITA's progress in taking advantage of IT opportunities to deliver products electronically to external customers and, in doing so, to create process efficiencies and improved services to customers.

### *FY 2003 & FY 2004 Targets*

The FYs 2003 and 2004 targets are based on ITA achieving most of the Government Paperwork Elimination Act requirements. ITA may consider adjustment to these targets based on best practices currently being assessed in FY 2003.

## Program Evaluation

A recent study conducted by the TPCC revealed two primary reasons why SMEs don't 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, and thus is a significant resource for SMEs. ITA has assessed the effectiveness of the Export.gov Web portal in the quality and efficiency of the delivery of trade-related market research and program information. The findings include recommendations for centralization of Web development office, improved security and higher quality server, creation of centralized market research databases, and development of a long-range strategic plan for Export.gov.

## 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.
- National Institute of Standards and Technology—to coordinate efforts to help SMEs export new technology and coordinate trade initiatives with the National Institute of Standards and Technology's technology development and commercialization programs.

- National Telecommunications and Information Administration—to work together on opening foreign markets to U.S. 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.
- National Oceanic and Atmospheric Administration—to coordinate e-commerce trade initiatives with the National Oceanic and Atmospheric Administration’s environmental programs.
- The Bureau of the Census—to fund reimbursable agreements to produce customized e-commerce statistics and collaborate 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 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—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 nineteen Trade Promotion Coordinating Committee-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 fifty-six 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. 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 it provides to U.S. companies by, for example, pioneering efforts to move e-commerce into the mainstream of trade enhancing, 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 that helps foreign buyers locate appropriate U.S. suppliers for their desired product, service, joint venture, or partnering needs.

## ITA Data Validation and Verification

In FY 2002, ITA implemented a newly-defined set of outcome-oriented performance measures that tracks and reports performance in a network-based performance management data reporting system utilizing a software application called "Panorama Business Views (PBViews)". With the implementation of PBViews in January 2002, ITA has made tremendous strides in fully integrating 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 validated 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 for ITA managers. Individual program unit managers are held accountable for the quality of the data that its 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 (SPLT), 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. The ITA Data Validation and Verification table can be found starting on the following page.



## ITA Data Validation and Verification

Performance Measure	Data Source	Frequency	Data Storage	Verification	Data Limitations	Actions to be Taken
<b>Measure 1a:</b> 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; (currently under development by measure owner.)	Annually	ITA, wide source data to be input into panorama business views (PBViews).	ITA will perform client verification survey based on information stored in PBViews.	Global trends, political developments, and ITA resources could affect the actual numbers.	ITA is currently establishing a baseline of existing partnerships and will use this baseline to measure marginal changes occurring during FY 2002 to assess progress and set meaningful targets. Targets established for FY 2002 and FY 2003 are based on best available data at the time of this publication.
<b>Measure 2a:</b> Percentage of undertaken advocacy actions completed successfully	U.S. companies that benefit from U.S. government advocacy	Annually	Advocacy database, advocacy success database, client management system.	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 overruns 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.
<b>Measure 2b:</b> Dollar value of completed advocacies (U.S. export content)	U.S. companies that benefit from U.S. government advocacy	Annually	Advocacy database, advocacy success database, client management system.	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.	ITA has taken steps to ensure that all completed advocacies are reported and verified in the Advocacy Center database.
<b>Measure 2c:</b> Number of U.S. exporters entering new market	U.S. exporters	Annually	Client management system	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.

**ITA Data Validation and Verification (cont.)**

Performance Measure	Data Source	Frequency	Data Storage	Verification	Data Limitations	Actions to be Taken
<b>Measure 2a:</b> Number of U.S. firms exporting for the first time	U.S. exporters	Annually	Client management system	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 has redefined this measure and will factor out previously counted firms that had been counseled but did not export as a result of counseling. ITA will report on newly exporting firms whose new status can be attributed to ITA assistance. This may change projections and actuals significantly. Over time the new figure will constitute a far more accurate and verifiable depiction of ITA performance.
<b>Measure 2b:</b> Number of export transactions made as a result of ITA involvement	Customer survey	Annually	Client management system	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.
<b>Measure 3a:</b> 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."	Case management system	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.
<b>Measure 3b:</b> 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	ITA compliance activity database maintained by the Trade Compliance Center (TCC).	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.	Case load 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.

**ITA Data Validation and Verification (cont.)**

Performance Measure	Data Source	Frequency	Data Storage	Verification	Data Limitations	Actions to be Taken
<b>Measure 3c:</b> 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	ITA compliance and market access case management system.	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.
<b>Measure 4a:</b> 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. ITA is working to resolve or readdress this situation.
<b>Measure 5a:</b> 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 P BViews.	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%.	The ITA-wide survey awaits OMB approval. Once approved, the survey will be conducted as a web-based survey in FY 2003.
<b>Measure 5b:</b> Customer perception of ease of access to export and trade information and data	ITA customers (U.S. exporters)	Broad survey conducted every two years.	ITA will enter survey data into a database, which will track client satisfaction.	Data will be verified through a peer review process and compliance with statutory requirements for access by individuals with disabilities (Section 508 of the Americans with Disabilities Act) testing by the chief information officer of ITA's Web sites and database applications.	Limitations exist in the level of response to survey; ability to identify persons with disabilities who are ITA customers; and limited resources to conduct Section 508 compliance testing on ITA's Web sites, assistance centers, and database applications. ITA will strive for satisfaction levels of 70%.	The ITA-wide survey awaits OMB approval. Once approved, the survey will be conducted as a web-based survey in FY 2003.

**ITA Data Validation and Verification (cont.)**

Performance Measure	Data Source	Frequency	Data Storage	Verification	Data Limitations	Actions to be Taken
<b>Measure 5c:</b> 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 management system and PBViews.	ITA staff will perform analysis to verify statistical results of survey data.	Level of response to survey.	The ITA-wide survey awaits OMB approval. Once approved, the survey will be conducted as a web-based survey in FY 2003.
<b>Measure 5d:</b> Employee job satisfaction	Employee perception survey; human resources (HR) reports on recruitment, attrition, exit interviews, awards and recognition, and training and development; the Office of Personnel Management's government-wide survey.	Annually	Office of Human Resources Management database, hard copies.	Results of annual employee perception survey will be determined and validated by an outside contractor. HR reports are generated from data stored in HR systems, which are updated biweekly; errors are identified and corrected through quality audits.	Response rate to surveys; quality of survey questions; willingness of employees to articulate concerns; accuracy of data entered into HR system.	Assessment is underway to determine if action is needed to develop an employee satisfaction score as well as proxy measures (for example, retention rates and number of complaints).
<b>Measure 5e:</b> Number of customers acquired through proactive ITA efforts	Customer survey	Biannually	Client management system and PBViews.	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 is currently assessing existing ITA client survey data to determine if a viable target can be established for this measure in FY 2002, prior to the use of the designed survey instrument.
<b>Measure 5f:</b> Number of U.S. exporter activities undertaken per customer surveyed	Customer survey	Annually	Client management system	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. ITA will develop accurate records (baseline) on the type of export activities. Target is initially being established to move from one export action per customer surveyed to two. Once initial data are collected, targets can be refined. ITA has not completed the initial collection of data.	The ITA-wide survey awaits OMB approval. Once approved, the survey will be conducted as a web-based survey in FY 2003.

**ITA Data Validation and Verification (cont.)**

Performance Measure	Data Source	Frequency	Data Storage	Verification	Data Limitations	Actions to be Taken
<b>Measure 6a:</b> Number of new subscribers using BuyUSA.com e-services	U.S. subscribers using the BuyUSA.com Web site.	Annual	Web trends (Internet-based software tracking system).	Clients visiting the Web site or domain during a specific period of time. The U.S. and Foreign Commercial Service collects, reviews, verifies, and signs the reports.	None. A subscriber is identified by a registered user name.	ITA will refine and revamp targets.
<b>Measure 6b:</b> Customer perception of portal ease-of-use	ITA customer portal survey.	Annually	Data to be logged and stored on a database such as Microsoft Access and/or Excel spreadsheet.	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 is presently determining the most appropriate methodology for gathering this data.
<b>Measure 6c:</b> Percentage of ITA's significant products and services provided electronically to external customers	ITA customer portal or Web-based survey.	Biannually	Microsoft Excel or Microsoft Access database.	ITA's program staff will verify the survey data through periodic assessments of representativeness of respondents.	Level of response to the survey, sample size, and customer misinterpretation of survey questions.	ITA has finalized the type of business process, the accuracy of current targets and definitions in the measure. ITA will collect actuals during FY 2003.