

**OFFICE OF INSPECTOR GENERAL**

**U.S. INTERNATIONAL TRADE COMMISSION'S  
POLICIES AND PROCEDURES  
RELATED TO THE  
RURAL DEVELOPMENT ACT OF 1972**

**Inspection Report  
OIG-IR-01-02**

**September 23, 2002**



**TABLE OF CONTENTS**

I. INTRODUCTION .....1

II. BACKGROUND .....1

III. OBJECTIVES..... 1

IV. METHODOLOGY AND SCOPE .....2

V. FINDINGS.....2

VI. CONCLUSION AND SUGGESTIONS.....5

## I. INTRODUCTION

This report presents the results of our evaluation of the U.S. International Trade Commission's (ITC or Commission) policies and procedures related to the Rural Development Act of 1972 (RDA).<sup>1</sup> Our objective was to determine<sup>2</sup> what policies and procedures the Commission had in place to give first priority to rural areas<sup>3</sup> when locating new offices and other facilities, in accordance with RDA.

## II. BACKGROUND

The Commission is an independent, nonpartisan, quasi-judicial federal agency that provides trade expertise to both the legislative and executive branches of government, determines the impact of imports on U.S. industries, and directs actions against certain unfair trade practices, such as patent, trademark, and copyright infringement. Its mission is to: (1) administer U.S. trade remedy laws in a fair and objective manner; (2) provide the President, U.S. Trade Representative (USTR), and Congress with independent, quality advice, and information on matters of international trade and competitiveness; and (3) administer the Harmonized Tariff Schedule of the United States. In so doing, the Commission contributes to the development and implementation of sound and informed U.S. trade policy.

The six Commissioners are appointed by the President and confirmed by the Senate for terms of nine years, unless appointed to fill an unexpired term. No more than three Commissioners may be members of the same political party. The Chairman and Vice Chairman are designated by the President and serve for a statutory two-year term. The Chairman may not be of the same political party as the preceding Chairman, nor may the President designate two Commissioners of the same political party as the Chairman and the Vice Chairman.

The Commission has one program activity set forth in the Budget of the United States. For FY 2002, the Commission had a staff of 393 full time equivalents and a budget of approximately \$52.7 million.

## III. OBJECTIVES

We reviewed the Commission's: (1) statutory basis for geographic office locations, (2) policies and procedures related to RDA, and (3) plans and prospective needs for additional geographic locations.

---

<sup>1</sup> 7 U.S.C. § 2204b-1.

<sup>2</sup> The Treasury and General Government Appropriations Act of 2002 (P.L. 107-67, § 647, 115.Stat. 514 (codified at 5 U.S.C. § 5303)) requires the Inspector General of each department or agency to submit a report to the Committee on Appropriations detailing the agency's policies and procedures to give first priority to rural areas when locating new offices and other facilities.

<sup>3</sup> "Rural area" means any area that is:

- a) Within a city or town if the city or town has a population of less than 10,000, or
- b) Not within the outer boundaries of a city or town if the city or town has a population of 50,000 or more and if the adjacent urbanized and urbanizing areas have a population density of more than 100 inhabitants per square mile.

#### IV. METHODOLOGY AND SCOPE

We discussed the objectives with the Director of Administration and General Counsel to identify policies and procedures for giving first priority to rural locations. We also requested information and any supporting documentation on plans or any prospective needs for new offices and other facilities. We defined "facility" to be any unit that had staff assigned full time.

Our inspection was conducted in accordance with the Quality Standards for Inspections of the President's Council on Integrity and Efficiency.

#### V. FINDINGS

The Commission had neither a policy nor procedures to ensure that rural areas would be given first priority if additional facility locations were needed. However, the Commission also had no plans or prospective needs for new offices or other facilities. Further, throughout the Commission's history, Congress consistently had expressed intent that it be located in Washington, DC.

##### A. Statutory Basis For Geographic Office Locations

Washington, D.C. Office. Before 1974, the International Trade Commission had been the U.S. Tariff Commission, enabled by Title VII of the "act to increase the revenue, and for other purposes" that was approved on September 8, 1916. Under Section 701 of the act, "the principal office of the Commission shall be in the City of Washington"<sup>4</sup>, and the Commission was authorized to rent suitable offices for its use. President Woodrow Wilson appointed the first Commissioners on March 21, 1917, and the Commission was "formally organized and effective as of close of business" on March 31, 1917. By July 1, 1917, the Commission had moved into its first location at 1322 New York Avenue, NW. As the Commission's responsibilities expanded, it relocated to the General Post Office Building—later known as the Old Tariff Commission Building—at 701 E Street, NW.<sup>5</sup> Through the years, the Commission was located elsewhere in Washington, DC. For example, the Commission's Administrative Law Judges were at one time located in the Interstate Commerce Commission Building, and other organizational units were located in the Bicentennial Building.

On October 19, 1984, Congress authorized the Administrator of General Services to transfer to the Smithsonian Institution without reimbursement the General Post Office Building, also known as the Old Tariff Commission Building. The Administrator was to:

" . . . at the earliest practicable date, . . . relocate all operations of the United States International Trade Commission . . . to a building in downtown Washington, District of Columbia."<sup>6</sup>

<sup>4</sup> 19 U.S.C. 1331 (d)

<sup>5</sup> This building, located between Seventh and Eighth Streets Northwest and E and F Streets Northwest, was renovated and reopened in May 2002 as the Hotel Monaco Washington DC, which has as its entrance address 700 F Street NW.

<sup>6</sup> P.L. 98-523.

In 1985, Commissioner Paula Stern, who then chaired the Commission, testified before the House Appropriations Subcommittee on Commerce, Justice, State and Judiciary that:

“Congress has set down in legislation, which is guiding our shopping, an area between the White House and the Capitol, and then there are some streets on each side that also limit our choice.”

The Commission requested the General Services Administration to advertise for space for its operations within an area bounded by: 15<sup>th</sup> Street on the West; L Street over to Massachusetts Avenue over to North Capitol Street on the North; North and South Capitol Streets on the East; and the Southwest Freeway on the South. A Downtown Washington, DC location was said to be essential to the Commission's operations in working with both Executive Branch agencies and the Congress. Commission staff often spent time in meetings with the House Ways and Means and Senate Finance Committees. Equally important was the Commission's need to be readily accessible to the many witnesses, American and foreign, who appeared before it at hearings, and to the public, who inspected case documents and used the international trade information libraries. Members of Congress also frequently testified at Commission hearings.

Since 1987, all Commission offices and employees have been located at 500 E Street, SW.

New York City Field Office. The Tariff Act, approved on September 21, 1922, provided the Commission with authority to establish and maintain an office at the Port of New York.<sup>7</sup> The Commission reported in December 1923, that during the prior year it had occupied a single room in the New York Customs House where a special agent with three clerks and a messenger had been installed.

Initially, the Commission reported that the New York office served two major purposes: (1) a permanent agency for procuring original data of the import and export trade of the United States from Customs records and from importers and producers in New York and vicinity; and (2) a means of contact between the Commission and those persons in New York and vicinity with whom the Commission and its agents had occasion to transact official business. In its later years, the New York City Field Office not only gathered facts and maintained relations but it also analyzed trends and maintained a library and information center of approved Commission documents, notices and press releases.

On October 31, 1980, the Commission gave notice to the public of the closing of the Commission's New York City Field Office—by then located in 6 World Trade Center, Suite 629—to be effective on November 7, 1980. The closing was essentially a reallocation of agency resources and personnel in the interest of economy and efficiency. All functions and almost all<sup>8</sup> personnel were transferred to the Commission's Washington, D.C. office, then located at 701 E Street NW.

Other Locations. The 1916 enabling act had provided the Commission with the authority to meet and exercise all its powers at any other place, to include prosecuting any inquiry necessary to its duties in any part of the United States or in any foreign country. Other than the Washington and New York offices, the Commission has had no other offices located within the United States. However, the Commission at one time had foreign offices.

---

<sup>7</sup> 19 U.S.C. 1331 (e)

<sup>8</sup> Two employees left the Commission for other employment within the World Trade Center.

In response to new duties assigned to the Commission by the Tariff Act of 1922, the Commission opened field headquarters for the conduct of foreign investigations in Berlin and in Paris. In July 1923, the Commission placed field investigations in Central Europe under a chief investigator stationed in Berlin. Similar investigations in Western Europe were placed in the charge of an acting chief investigator, with headquarters in Paris; however the Paris office was abolished when the agent in charge resigned in the fall of 1924. In June 1925, the Commission consolidated the foreign office in one central headquarters at Brussels, Belgium.

The Foreign Office made contacts with European governmental and business agencies with which the Commission conducted business and conducted investigations not requiring participation from agents stationed in Washington. The office provided special reports on economic and industrial conditions as related to problems under consideration by the Commission. On May 16, 1935, the Commission voted to discontinue the Foreign Office in Brussels, effective June 30, 1935.

#### B. Policies And Procedures Related To RDA

At the time of this inspection, the Commission had no policies and procedures related to the RDA.

#### C. Plans And Prospective Needs For Additional Geographic Locations

At the time of this inspection, the Commission had no plans or prospective needs for additional geographic locations. For the past 15 years, the Commission's current Washington location has been convenient to customers—the President, the USTR, and the Congress—to whom the Commission has provided information and analysis. While the Commission continued to exercise its authority to travel virtually anywhere to hold hearings or conduct investigations, its centralized location facilitated appropriate access for the trade bar and other parties before the Commission.

The Commission's single office location also made possible workforce flexibility in staffing investigations and other projects. The Commission has five major operations that serve its external customers. Detailed in the Commission's Strategic Plan and Annual Performance Plan, these operations are: (1) Import Injury Investigations, (2) Intellectual Property-Based Import Investigations, (3) the Research Program, (4) Trade Information Services, and (5) Trade Policy Support. Frequently, as part of its human capital strategy, the Commission's staff contributed directly to activities in more than one operation. For example, the Commission assigned interdisciplinary staff teams to Import Injury Investigations and to Research Program investigations.

The Commission also achieved greater economy and support to employees by having the Office of Administration collocated with all other Commission offices and activities. Employees have been able to visit Personnel, Procurement, Finance, Facilities Management, Publishing, and other services without leaving the building. Also, the Equal Employment Opportunity Office and the Office of Inspector General have been located there.

## VI. CONCLUSION AND SUGGESTIONS

For more than 20 years, the Commission has identified no apparent business reason for locating staff at a second location or facility aside from its Washington, DC office. However, history has shown that the Commission's needs for office locations change in response to workload or new requirements. Because the RDA states that first priority be given to the location of new offices and facilities in rural areas, the Commission's future location decisions should be responsive.

**Suggestion 1: Ask the Customers.**

To update its Strategic Plan, the Commission solicits the input of its customers and stakeholders. When assessing customer satisfaction, the Commission should consider soliciting customer needs and preferences regarding the Commission's location. The information could be valuable not only in making the business case for locating future offices to best meet customer needs but also in being responsive to the RDA.

**Suggestion 2: Make it Policy.**

The Chairman should consider issuing an Administrative Order stating that the Commission's policy will be to consider rural areas as a first priority, in accordance with RDA, in the event that the Commission ever exercises authority to locate new offices—other than its Washington, DC headquarters<sup>9</sup> or a New York City office<sup>10</sup>.

The General Counsel and the Director, Office of Administration, each responded to our draft report. The General Counsel provided additional information that we included about P.L. 98-523 and the 1985 House Appropriations Subcommittee hearing that reaffirmed Congressional intent that the Commission be located in Washington, DC. The Director, Office of Administration, had no further comments.

---

<sup>9</sup> Washington specifically was authorized in the Commission's enabling act of 1916.

<sup>10</sup> New York specifically was authorized in the Tariff Act of 1922.