



United States International Trade Commission

Budget Justification FY 2009

Table of Contents

Alphabetical Listing of Abbreviations	v
Fiscal Year 2009 Budget Justification for the United States International Trade Commission	1
General Statement	1
Mission	1
Activities in Brief	2
Fiscal Year 2009 Budget Highlights	3
The Effect of a Continuing Resolution for All of FY 2007	4
Increases in Intellectual Property-Based Import Investigations Caseload Pose Significant Budget and Staffing Challenges for the Commission	6
Effect of Recent Increase in Import Injury Caseload	8
Effect of 38 Percent Increase in GSA Rent Charges	8
President's Management Agenda	10
Competitive Sourcing	11
Improved Financial Performance	12
Budget and Performance Management Integration	13
Expanded Electronic Government (E-Government)	14
Strategic Human Capital Management	15
Fiscal Year 2009 Requested Appropriation Language for the U.S. International Trade Commission	16
Salaries and Expenses	16
Operation 1: Import Injury Investigations	17
Antidumping and Countervailing Duty Investigations	17
Sunset Reviews	18
Other Import Injury Investigations	20

Litigation	21
Resource Requirements and Workload for Import Injury Investigations	22
Operation 1: Import Injury Investigations Resource Requirements, Fiscal Years 2007, 2008, 2009	23
Operation 1: Import Injury Investigations Caseload	24
Operation 2: Intellectual Property-Based Import Investigations	25
Resource Requirements and Workload for Intellectual Property-Based Import Investigations	27
Operation 2: Intellectual Property-Based Import Investigations Resource Requirements, Fiscal Years 2007, 2008, 2009	29
Operation 2: Intellectual Property-Based Import Investigations Caseload	30
Operation 3: Industry and Economic Analysis	31
Statutory Investigations	31
General Factfinding and Analytical Investigations	32
Probable Economic Effect Investigations	34
Assessments of Negotiated Trade Agreements	35
Other Statutory Investigations	36
Other Industry and Economic Analysis Activities	37
Workload Expectations in FY 2008 and 2009	38
Resource Requirements and Workload for Industry and Economic Analysis	39
Operation 3: Industry and Economic Analysis Resource Requirements, Fiscal Years 2007, 2008, 2009	41
Operation 3: Industry and Economic Analysis Investigations Caseload	42
Operation 4: Tariff and Trade Information Services	43
Maintenance of the Harmonized Tariff Schedule of the United States	43
Legislative Reports	44
Interactive Tariff and Trade DataWeb	45
International Trade Data System	46
Resource Requirements for Tariff and Trade Information Services	47

Operation 4: Tariff and Trade Information Services Resource Requirements, Fiscal Years 2007, 2008, 2009	48
Operation 5: Trade Policy Support	49
Resource Requirements for Trade Policy Support	50
Operation 5: Trade Policy Support Resource Requirements, Fiscal Years 2007, 2008, 2009	51
Information Technology (IT) Activities	52
Major Ongoing Information Technology Initiatives	53
Information Security and Infrastructure Management	53
Financial System Replacement	54
Electronic Document Information System	55
The Enterprise Portal	56
Continuity of Operations Planning	57
Indirect Costs	58
Budget Data	
Dollar Cost: Comparison by Object Classification, Fiscal Years 2007, 2008, 2009	61
Budget Formulation by Object Classification, Fiscal Years 2007, 2008, 2009	62
Budget Requirements, Fiscal Years 2007, 2008, 2009	63
Analysis of Change	
Analysis of Change: Obligations, Fiscal Year 2007; Expenditure Plans, Fiscal Years 2008 and 2009	64
Summary of Increases/Decreases Presented in Analysis of Change (Fiscal Years 2008 and 2009)	65
Operations Costs	
Dollar Cost: Comparison by Operation, Fiscal Years 2007, 2008, 2009	69
Workyears: Comparison by Operation, Fiscal Years 2007, 2008, 2009	70
Budget Summary by Operation, Fiscal Years 2007, 2008, 2009	71

Direct/Indirect Cost by Operation, Fiscal Years 2007, 2008, 2009	72
Workyears by Activity and Office - Fiscal Year 2007	73
Human Resources Data	
FY 2008 U.S. International Trade Commission Organization	74
Commission Staffing Plan, Fiscal Years 2007, 2008, 2009	75
Direct Labor Cost: Workyears and Dollars (Salaries and Benefits)	
by Office and Operation, Fiscal Year 2007	76
Total Labor Cost/Workyears by Office, Fiscal Year 2007	77
Performance Plan, FY 2008-2009	78

Alphabetical Listing of Abbreviations

ACE	Automated Commercial Environment	FY	Fiscal Year
AD	Antidumping	GATS	General Agreement on Trade in Services
AGOA	African Growth and Opportunity Act	GATT	General Agreement on Tariffs and Trade
ALJs	Administrative Law Judges	GC	Office of the General Counsel
ATPDEA	Andean Trade Promotion and Drug Eradication Act	GPRA	Government Performance and Results Act
CBERA	Caribbean Basin Economic Recovery Act	GPS	Global Positioning System
CBTPA	Caribbean Basin Trade Preferences Act	GSA	General Services Administration
CGE	Computable General Equilibrium	HTS	Harmonized Tariff Schedule of the United States
CIT	U.S. Court of International Trade	HTSA	Harmonized Tariff Schedule of the United States Annotated
CMS	Content Management System	IT	Information Technology
Commerce	Department of Commerce	ITDS	International Trade Data System
Commission	U.S. International Trade Commission	MTBs	Miscellaneous Tariff Bills
COOP	Continuity of Operation	NAFTA	North American Free Trade Agreement
Customs	U.S. Customs and Border Protection	NBC	National Business Center
CVD	Countervailing Duty	NSI	National Security Information
DataWeb	Interactive Tariff and Trade DataWeb	OA	Occupancy Agreement
DR-CAFTA	Dominican Republic-Central American Free Trade Agreement	OCIO	Office of the Chief Information Officer
EDIS	Electronic Document Information System	OIG	Office of Inspector General
E-Government	Expanded Electronic Government	OMB	Office of Management and Budget
FAIR Act	Federal Activities Inventory Reform Act	OPM	Office of Personnel Management
Federal Circuit	U.S. Court of Appeals for the Federal Circuit	OUII	Office of Unfair Import Investigations
FFS	Federal Financial System	PRISM	Purchase Request Information System
FISMA	Federal Information Security Management Act	RSS	Really Simple Syndication
FPPS	Federal Payroll and Personnel System	The Byrd Amendment	Continued Dumping and Subsidy Offset Act
FTA	Free Trade Agreement	USTR	United States Trade Representative
		WTO	World Trade Organization

Fiscal Year 2009 Budget Justification for the United States International Trade Commission



General Statement

The United States International Trade Commission (Commission) is an independent, quasi-judicial Federal agency with broad investigative responsibilities on matters of trade. The Commission investigates the effects of dumped and subsidized imports on domestic industries and conducts global safeguard investigations. The Commission also adjudicates cases involving imported goods that are alleged to infringe intellectual property rights. Through such proceedings, the Commission facilitates a rules-based international trading system. The Commission also serves as a Federal resource where trade data and other trade policy-related information are gathered and analyzed. The information and analysis are provided to the President, the Office of the United States Trade Representative (USTR), and Congress to facilitate the development of sound and informed U.S. trade policy. The Commission makes most of its information and analysis available to the public to promote understanding of international trade issues.

Mission

The mission of the Commission is to: (1) administer U.S. trade remedy laws within its mandate in a fair and objective manner; (2) provide the President, USTR, and Congress with independent, quality analysis, information, and support on matters of tariffs and international trade and competitiveness; and (3) maintain the Harmonized Tariff Schedule of the United States (HTS). In so doing, the Commission serves the public by implementing U.S. law and contributing to the development of sound and informed U.S. trade policy.

Activities in Brief

As the role of international trade in the U.S. economy has expanded, the work of the Commission has had a broader impact on many aspects of the U.S. economy. With this trend in mind, the Commission recognizes the importance of striving for excellence in all aspects of its mission, particularly objectivity, thoroughness, clarity of analysis, and timeliness in the performance of its investigative duties. This effort allows the Commission to meet more effectively the needs of all its customers: policymakers in both the legislative and executive branches, parties to Commission proceedings, and the general public.

The Commission has five major operations that serve its customers. The five operations are as follows: (1) Import Injury Investigations, (2) Intellectual Property-Based Import Investigations, (3) Industry and Economic Analysis, (4) Tariff and Trade Information Services, and (5) Trade Policy Support. Detailed goals and strategies for each operation are presented in the Fiscal Year 2008 and 2009 Performance Plans (see attached).

Import Injury Investigations and Intellectual Property-Based Import Investigations are distinct investigative regimes with specific and detailed procedures provided in authorizing legislation. Industry and Economic Analysis, Tariff and Trade Information Services, and Trade Policy Support are based upon general authorizing legislation with broad discretion delegated to the Commission. The Commission conducts Import Injury Investigations and Industry and Economic Analysis by assigning an interdisciplinary team to each investigation, thereby combining the skills of the Commission's investigators, international trade analysts, economists, lawyers, and statisticians. The knowledge, skills, and abilities developed and maintained in the analytical and data operations (3 and 5) and those developed and maintained in the primarily investigative operations (1 and 2) reinforce one another. Commission personnel frequently contribute to activities in more than one operation.

Fiscal Year 2009 Budget Highlights

For fiscal year (FY) 2009, the Commission requests \$73.6 million to support its authorized operations. The FY 2009 request represents a 7.6 percent increase over the FY 2008 appropriation request (and current proposed expenditure plan) of \$68.4 million. The increase is primarily due to required increases in salaries, benefits, and rent.

Salaries of permanent personnel are projected to increase by 6.5 percent, or \$2.4 million, over our FY 2008 Expenditure Plan based on a projected 3.5 percent Federal pay raise, normal promotions and within-grade increases, and additional hiring to fill outstanding vacancies. As a result of reduced funding in FY 2007, compared to FY 2006, the Commission has been unable to fill many positions that have become vacant in the last year. The result has been a vacancy rate that increased significantly during FY 2007 and has been hovering around 14 percent for the last six months. This is not sustainable over the long term as it could adversely impact the quality and timeliness of Commission work product. The Commission's appropriation request for FY 2009 is premised on a gradual increase in on-board staffing levels as accumulated vacancies are filled.

Benefits costs are projected to increase by 9.1 percent, or \$920,000, due to the Federal pay raise, increases in health care costs, filling of outstanding vacancies, and a continuing shift from the Civil Service Retirement System to the more expensive (to the Commission) Federal Employees Retirement System.

Rent is projected to increase by 1.9 percent, or \$159,000. This increase is on top of the increase of almost 38 percent in FY 2008 as a result of the new 10-year lease with the General Services Administration (GSA). The Commission's FY 2008 appropriation request was premised on a projected 15 percent increase in rent. Subsequent to the Commission's FY 2008 appropriation submission, GSA informed the Commission of an additional \$1.3 million of other charges that would be incorporated into the Commission's rent bill. These additional charges resulted in an actual increase in rent of 38 percent (i.e., \$2.4 million) from FY 2007 to FY 2008. The Commission will absorb that increase with some difficulty in FY 2008 by cuts, which are summarized below, but is requesting additional funds in FY 2009 to cover the higher annual rent cost.

We project what appear to be significant increases in FY 2009 for a variety of non-personnel cost centers and for awards, compared with FY 2008. In reality, the FY 2008 funding levels are artificially low as funds were drained from these cost centers to reallocate towards rent. In developing an FY 2008 Expenditure Plan, the

Commission had to reduce its original plan by \$1.3 million to cover the unexpected rent increase. To do this, the Commission deferred an equivalent amount of expenditures to FY 2009. Many cost centers are funded well below the FY 2007 levels, which in turn were below the FY 2006 levels because of the reduced funding in FY 2007.

The Commission's FY 2009 appropriation request consists of salaries (56.7 percent), benefits (14.8 percent), rent (12.4 percent), various administrative support services (10.9 percent), and other (5.2 percent). (See Dollar Cost: Comparison by Object Classification, p. 61.) These costs are predominantly recurring and non-discretionary. Thus, inadequate funding would force reductions that could threaten the Commission's ability to fully and effectively fulfill its mission, at a time when the Commission's workload is expanding.

The Effect of a Continuing Resolution for All of FY 2007

In FY 2007 the Commission cut discretionary expenses drastically because its appropriation for FY 2007 was "frozen" at the FY 2006 level (with a \$410,000 adjustment for half of the Federal pay raise). The FY 2006 funding level, however, was artificially low since the Commission had an unusually large surplus in FY 2005 and actually requested that its FY 2006 appropriation be reduced by \$2.7 million from its original request. The net effect is that the "freeze" in FY 2007 actually *reduced available funds by \$1.0 million*, compared to FY 2006.

While the Commission's available funds were reduced, recurring costs have continued to rise. Between FY 2006 and FY 2009, personnel compensation will increase by \$5.1 million, benefits will increase by \$2.4 million, and rent will increase by \$3.1 million. The Commission cannot control pay raises, benefits cost increases, or rent increases, and it cannot continue to defer necessary replacement of its outdated financial system or the increased costs of mandatory physical, information, and personnel security requirements.

Non-personnel, non-rent costs (such as the cost of information technology activities) in FY 2006 were \$13.5 million. They declined to \$10.5 million in FY 2007 and are budgeted for only \$11.0 million in FY 2008. This situation is not sustainable and must be rectified in FY 2009 as equipment continues to deteriorate, maintenance and security requirements have been repeatedly deferred, and initiatives to improve efficiency and productivity cannot be approved for lack of funding. For example, the required replacement of the Commission's financial system has been postponed twice and must be implemented in FY 2009. The FY 2009 request provides \$12.5 million for these cost centers - still below the FY 2006 level of \$13.5 million.

Comparison of Major Cost Centers FY 2006-FY 2009

(Dollar Amounts in Millions)

Item	FY 2006 Obligations	FY 2007 Obligations	FY 2008 Expenditure Plan	FY 2009 Expenditure Plan	Change From FY 2006	Percentage Change From FY 2006
Personnel Compensation	\$36.2	\$37.3	\$38.7	\$41.4	\$5.2	14.4%
Benefits	8.6	9.2	10.1	11.0	2.4	27.9%
Rent	5.6	6.1	8.5	8.6	3.0	53.6%
Services	9.3	7.7	7.5	8.2	-1.1	-11.8%
Other	4.2	2.7	3.5	4.4	0.2	4.8%
Total Non-Personnel/Non-Rent	\$13.5	\$10.4	\$11.0	\$12.6	\$0.9	-6.7%
Total Budget	\$63.9	\$62.9	\$68.3	\$73.6	\$9.7	15.2%

The Commission also reduced its costs in FY 2007 by not filling vacancies when personnel retired or departed. Hiring freezes and increased vacancy rates, however, impair the Commission's ability to meet the demands of an expanding workload and to prepare proactively for the succession of key personnel. More than a year of artificially high vacancy levels has degraded the Commission's depth of technical and analytical expertise and has compromised its ability to handle workload surges.

With regard to non-personnel costs, continued insufficient funding would hamper the Commission's ability to develop and implement a plan for scheduled maintenance and replacement of systems and equipment. Rather, the Commission would have to react to emergencies or system failures when they arise and accept the risks inherent in such an approach. Those risks include damage to systems and equipment, loss of information, and disruption of Commission services to the Commission's customers - all of which compromise mission accomplishment. It is possible that the Commission could make it through another year without any of these risks being realized, but that merely postpones expenses and increases the risks in future fiscal years if additional funds are not available at that time.

In sum, the combination of the artificially low appropriation in the FY 2007 Continuing Resolution and the unanticipated rent increase in FY 2008 makes it especially important for the Commission to receive adequate funding for FY 2009.

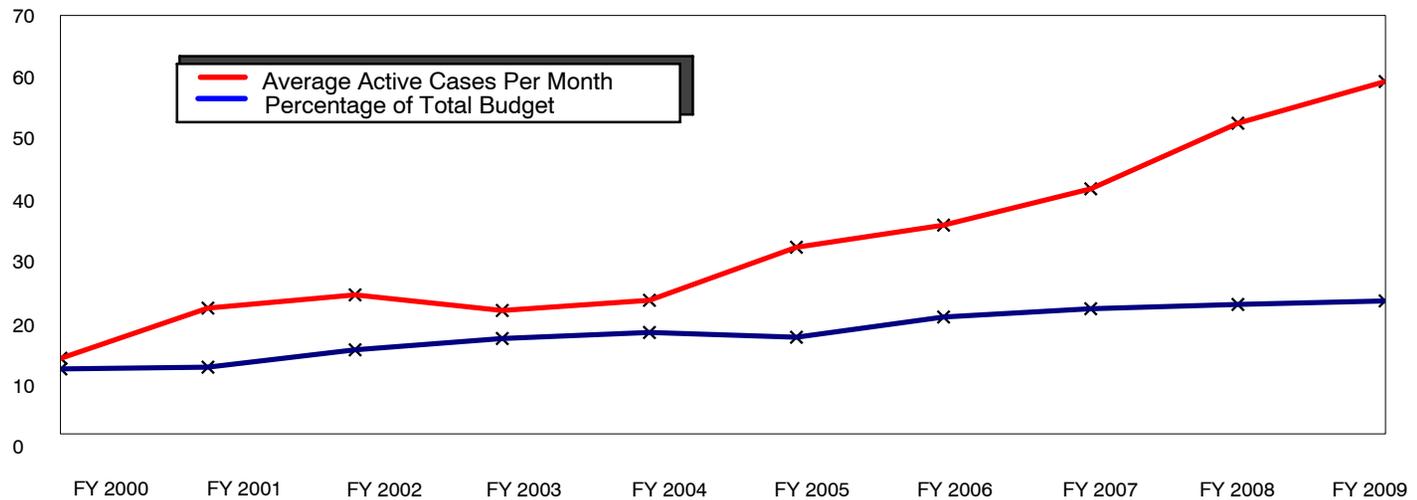
Increases in Intellectual Property-Based Import Investigations Caseload Pose Significant Budget and Staffing Challenges for the Commission

In FY 2009 the Commission projects the cost of the Intellectual Property-Based Import Investigations under section 337 to increase by \$1.3 million or 9 percent, in part because of continued growth in its caseload. As the Commission noted in the FY 2008 Budget Justification, the Intellectual Property-Based Import Investigations caseload has exploded in recent years, nearly tripling since FY 2000. The caseload level remained at a historic high throughout FY 2007 and the number of new complaints continues to climb with 15 new complaints filed in the first quarter of FY 2008. This increased caseload is attributable, in substantial part, to greater appreciation among intellectual property owners and their counsel of the level of expertise that the Commission possesses in the area of complex intellectual property litigation. Indeed, unlike Administrative Law Judges (ALJs) at any other agency in the Federal Government, the Commission's ALJs focus almost entirely on patent law issues. In addition, the Commission's commitment to prompt resolution of patent cases, usually completing the entire administrative process within 18 months of the filing of the complaint, makes these proceedings very attractive to patent holders in areas of rapid technological change. The Commission can also provide meritorious complainants with injunctive relief that is increasingly difficult to obtain in other fora, including the unique remedy of excluding articles from entry into the United States.

The rapid increase in the caseload, along with difficulties in hiring and retaining ALJs with experience in complex litigation, or patent law, or with scientific backgrounds, is putting a serious strain on the Commission. While the increased caseload led the Commission to add a fifth ALJ position to its staffing plan in FY 2007, two of the four sitting ALJs retired during the year. The Commission operated for much of FY 2007 with only three active ALJs, rather than the five the Commission hoped to have. One ALJ was hired in June and another was hired at the beginning of FY 2008, again leaving the Commission with only four ALJs. The Commission will continue to try and add a fifth ALJ in FY 2008, but remains concerned about potential additional retirements, a declining applicant pool, and difficulties in obtaining highly qualified candidates for these specialized ALJ positions under the current recruitment and hiring constraints of the Office of Personnel Management (OPM) process. The nature of this process, and the concomitant difficulties the Commission has experienced in attempting to fill ALJ positions, suggests that the Commission may need statutory or regulatory relief from the constraints of the OPM system for recruiting and hiring ALJs.

To maintain its level of expertise, the Commission needs adequate funding to fill ALJ positions and staff positions, including experienced patent attorneys, in the Office of the ALJ and other Commission offices engaged in the litigation of section 337 investigations. While the intellectual property caseload has nearly tripled since FY 2000, the share of the Commission's total resources allocated to this activity has not yet doubled. The Commission cannot reassign personnel from other areas to work on patent litigation, but must hire qualified intellectual property attorneys who are in high demand in the private sector. While the Commission can make adjustments in its staffing plan to accomplish that, the Commission needs full funding of its appropriation request in order to accomplish the realignment in such a way that it does not impair the quality and efficiency of its other operations.

Operation 2: Intellectual Property-Based Import Investigations: Caseload and Resource Allocation, Fiscal Years 2000-2009



Source: Office of Unfair Import Investigations and Actual Costs derived from the Labor Cost Reporting System and Accounting System.

Effect of Recent Increase in Import Injury Caseload

In FY 2009 the Commission projects the cost of Import Injury Investigations to increase by \$2.1 million or 10 percent because of increased filings of antidumping and countervailing duty (AD/CVD) petitions. Such filings increased significantly in the latter half of FY 2007 and are expected to remain at high levels in FY 2008 and 2009. The increased level of new filings appears to be related, in part, to the U.S. Department of Commerce's (Commerce) recent decision to apply the CVD law to non-market economies, such as China. Six new CVD petitions were filed against China in the second half of FY 2007, and one to date in FY 2008. In addition, Import Injury caseload tends to be counter-cyclical. That is, new filings tend to increase during economic downturns. The most active period of new Import Injury filings followed the recession in early 2001. While the Commission cannot project with certainty whether this current increase in new petitions will continue indefinitely, it is aware of multiple draft petitions in preparation and Commission investigations, once initiated, take 10 to 13 months to complete.

The Commission has been able to shift some resources from the Economic and Industry Analysis operation to meet the recent increase in Import Injury caseload, as the same occupation groups (economists and international trade analysts) work in both areas. These two operational areas are the two largest operations that the Commission conducts. While shifting flexible personnel from one operation to another can be done when caseload in one operation is declining, while caseload in the other is increasing, if caseload in both operations is increasing (as is projected), and vacancy rates are high, flexible personnel are stretched in both directions and mission accomplishment becomes more problematic. In FY 2008 and 2009, the Commission must address this problem by filling vacant positions in all Commission offices that had been left vacant to conserve scarce funds in FY 2007.

Effect of 38 Percent Increase in GSA Rent Charges

The Commission has occupied space at 500 E Street SW since the building was constructed in 1987. The Commission's first 10-year Occupancy Agreement (OA) expired in FY 1997. The second OA expired on August 10, 2007. During the budget formulation process for FY 2008, which began in the spring of calendar year 2006, Commission officials repeatedly communicated with GSA regarding the likely increase in rent should the Commission elect to stay an additional 10 years.

The Commission received a draft OA for FY 2008-2017 in May 2006 that indicated that the FY 2008 rent would be \$7.0 million. That figure represented a 15 percent increase over FY 2007. Later in the summer, the Commission received a budget estimate of \$8.6 million, or a 38 percent increase. When questioned about the variance from the draft OA figures, GSA told the Commission to ignore the budget estimate and use the figures in the draft OA. The Commission's FY 2008 Budget Justification provided for the 15 percent increase in the draft OA.

In order to facilitate the presentation of the Commission's FY 2008 Budget Justification, the Commission asked GSA to provide cost data that would show market rates for similar space to justify a 15 percent increase. GSA never indicated that the 15 percent figure was too low. Nor did GSA provide the requested information. In fact, GSA was specifically queried as to whether the estimates in the draft OA included additional charges, such as real estate tax escalation or operating fee escalation. At no time did GSA mention that other charges, such as the Public Building Service fee or the accrued operating fees, were not reflected in the draft OA. GSA regulations indicate, however, that an OA generally describes such charges and is intended to minimize exposure to future unknown costs to the customer agency.

No subsequent drafts of the OA were provided to the Commission from May 2006 to December 2007. The Commission remains at 500 E Street SW, five months after the expiration of the prior OA. It was only in August 2007, a week before the lease and the Commission's OA expired, that the actual costs the Commission would incur became apparent. At that time, GSA personnel requested the Commission to sign a letter agreement that would allow for billing to continue. That draft agreement included the 38 percent increase in the Commission's rent for FY 2008 and indicated that the 8 percent Public Building Service fee and the accrued operating fees of about \$300,000 were not included in prior documentation.

President's Management Agenda

The Commission's Strategic Plan has provided the blueprint to the budget development process since FY 2000. The Strategic Plan served as a guide through periods of increased workload that put a significant strain on resources. Currently, the Commission faces workload increases across many of its operations, particularly Intellectual Property-Based Import Investigations. The Commission is already seeing a significant increase in Import Injury Investigations and a continuation of requests for analytically-complex and resource intensive Industry and Economic Analysis Investigations. The Commission continues to use performance management principles to guide resource allocation to meet shifting demand. In so doing, the Commission acts consistently with the Government Performance and Results Act (GPRA), the Information Technology Management Reform Act of 1996, the Federal Information Security Management Act of 2002 (FISMA), the Government Paperwork Elimination Act, the Federal Activities Inventory Reform Act (the FAIR Act), the Accountability of Tax Dollars Act of 2002, and other statutes, executive orders, and related Office of Management and Budget (OMB) circulars, even when not expressly required to do so.

The President's Management Agenda consolidates and expands upon these performance management initiatives and gives renewed emphasis to measuring performance and rewarding results. The agenda includes five government-wide initiatives that the Commission has successfully implemented to improve the quality of its performance and delivery of services to the public: (1) Competitive Sourcing, (2) Improved Financial Performance, (3) Budget and Performance Integration, (4) Expanded Electronic Government, and (5) Strategic Human Capital Management. These five initiatives are complementary and interrelated. For example, competitive sourcing and strategic management of human capital go hand-in-hand when an agency is considering how to meet service needs in the future. Competitive factors may suggest creation of jobs in-house or may suggest contracting with the private sector. Improved budget and performance integration may lead to improved financial performance. Expanded Electronic Government may lead to a realignment of the organization and its human capital.

Competitive Sourcing

The Commission has successfully controlled its operating costs by maximizing the use of competitively awarded service contracts consistent with the Federal Acquisition Regulation, the FAIR Act, and OMB Circular A-76. The Commission competitively contracts for a wide variety of services, including information technology (IT), security, editorial, publishing, mailroom, general labor, cleaning, and building maintenance. More than 10 percent of the regular on-site personnel at the Commission consists of private sector contract employees. In addition, other services are acquired on an as-needed basis, such as virtually all equipment maintenance services, application systems design and development, and certain audit and financial services.

Generally speaking, the Commission routinely addresses temporary requirements through private sector competition. Commission personnel are devoted to core investigative functions and recurring support activities where the cost of outsourcing is less competitive. In July, the Commission sent its annual comprehensive list of commercial activities to OMB and posted the list on its website, in compliance with the FAIR Act. The Commission continues to evaluate competitive alternatives and efficient service contracting options to maximize efficiency and minimize cost. Activities will be contracted out to the private sector when it is cost effective to do so. Similarly, activities will be conducted by government personnel when it is cost effective to do so.

The Commission has met the rapidly increased demands for IT services and mandated management reporting requirements using competitively sourced service contracts with the private sector. The procurement function has an excellent record of using the most appropriate competitive mechanism whenever the Commission purchases goods or services from the private sector. The Commission routinely makes competitive awards for consulting services regarding information security and information technology, preparation of financial statements, audit services, and human capital planning. In addition, the Commission efficiently uses government-to-government agreements that achieve economy of scale savings, such as the acquisition of payroll, accounting, and human resources services from the Department of Interior's National Business Center (NBC). For several years, human capital planning services have been provided under an interagency agreement with OPM that ensures savings for the Commission by utilizing a competitively sourced provider.

Improved Financial Performance

The Chairman leads the Commission on administrative matters, including financial management and budget execution and development, but typically achieves consensus among all Commissioners before taking action. Through many years of bipartisan collaborative effort, the Commission has established a record of prudent fiscal management and cost control. The Commission's appropriation requests are designed simply to maintain a continuing level of excellent service. When circumstances allow for a downward adjustment in the Commission's appropriation request, the Commission has promptly notified the Appropriations Committees.

Resources are reprogrammed and personnel reassigned to meet changing requirements first, rather than increasing overall staffing levels. Cross-training of employees to perform multiple functions is the first response in addressing changing workload needs.

The Office of Finance produced financial statements with notes and a management discussion and analysis for FY 2007 in compliance with the Accountability of Tax Dollars Act of 2002. For the fourth year in a row, an audit by the Office of Inspector General (OIG) resulted in an unqualified opinion on the statements and found no material financial management weaknesses.

General administrative costs of the Office of Administration (human resources, facilities management, procurement, and budget and financial services) account for less than seven percent of total labor costs. Execution of the Commission's Expenditure Plan is closely monitored by Commission personnel and senior managers, and payment procedures are regularly reviewed by the Office of Finance and the OIG.

Budget and Performance Management Integration

Since FY 2000, the Commission has successfully integrated budget formulation and execution with strategic planning. Budget formulation and execution activities are structured to permit the allocation of virtually all costs to the five operations set forth in the Strategic Plan. Specifically, because personnel costs are more than 70 percent of total costs, the Commission utilizes a labor cost reporting system to collect workyear and cost information, which are identified either as direct costs of the goals of the Strategic Plan or indirect support costs. All indirect costs are allocated to the Commission's five operations. (See Dollar Cost: Comparison by Operation, p. 69; Workyears: Comparison by Operation p. 70; Budget Summary by Operation, p. 71; and Direct/Indirect Cost by Operation, p. 72.) The Commission also presents data according to budget object classification. (See Dollar Cost: Comparison by Object Classification, p. 61, and Analysis of Change: Obligations, Expenditure Plans, p. 64.)

The tracking and reporting of costs on the basis of the Commission's Strategic Plan has improved the Commission's resource management and has allowed the Commission to relate its expenditures to its program outputs more clearly. Further, this presentation facilitates Congressional oversight and ensures that Commission expenditures are tied to achievement of the Commission's mission. The Commission continues to look for ways to improve its budget integration efforts. Refinements to the Commission's labor cost system have been implemented every year to provide greater detail and transparency regarding actual costs of specific Commission investigations. Budget integration efforts to date have allowed Commission managers to track changes in workload and compare them to changes in cost. In so doing, the Commission is able to determine whether resources are allocated efficiently.

In accordance with the GPRA, the Commission prepares an annual Performance Plan setting goals and strategies to help fulfill its mission. As part of the effort to integrate planning and budgeting, the sections of the FY 2009 Budget Justification covering the Commission's operations also address performance planning. Consistent with OMB guidance, the combined Budget Justification and Performance Plan form a Performance Budget. The Commission's Program Performance Report for FY 2007 was presented to Congress in the FY 2007 Performance and Accountability Report in accordance with OMB guidance and the Accountability of Tax Dollars Act of 2002.

Expanded Electronic Government (E-Government)

The Commission considers E-Government goals during the initiation phase of every major IT project and in the Commission's investment review process. During FY 2007 the Commission made significant advances through its embrace of technology solutions that improve business response to its customers, as well as streamlining the internal processes.

E-Government service improvements included: (1) further enhancements to the Electronic Document Information System (EDIS) that allowed for electronic submission of import injury questionnaires by respondents, and (2) an expansion of the Content Management System (CMS) to allow individual offices to more efficiently store, search, and retrieve work product. The Commission expects to make significant advances during FY 2008 with the release of a re-engineered version of EDIS. The new version of EDIS will do the following: (1) improve overall performance and usability through the implementation of a central home page for all EDIS functions; (2) improve the electronic submission process to reduce rejections; and (3) allow external users to receive electronic notification of document submissions via "Really Simple Syndication" (RSS) feed.

There were four other notable E-Government service improvements: (1) further enhancement of the public website (*www.usitc.gov*), including expanded search capabilities and improved navigation and functionality; (2) enhanced security solutions to provide for broader remote access to the Commission's public databases; (3) closer alignment with applicable OMB E-Government initiatives (e.g., E-Payroll, Electronic Human Resource Initiative, Human Resource Line of Business, E-Clearance, and Recruitment One-Stop); and (4) commencement of the migration to a new financial management system.

Strategic Human Capital Management

The Commission has undertaken several initiatives in support of its overall human capital strategy. The Commission has developed a Strategic Human Capital Management Plan, specific human capital strategic objectives, and an integrated set of initiatives needed to meet those objectives. The Plan emphasizes continuous improvement and is being implemented through two distinct phases.

The goal of Phase 1 was to develop a Strategic Human Capital Management Plan that flowed directly from the strategic and business requirements faced by the Commission. Phase 1 was successfully completed. The outcomes of Phase 1 were as follows: (1) a description of the future mission and business environment faced by the Commission; (2) a summary of the human capital requirements necessary to succeed in that future environment; (3) a summary of projected changes in workforce assets; (4) a summary of critical gaps between future workforce requirements and projected workforce assets; (5) proposed human resource interventions for bridging gaps identified, with a plan of action for implementing each intervention; and (6) Occupation Guides for key occupations.

Phase 2 focuses on implementing the priority components of the Strategic Human Capital Management Plan. Phase 2 currently has six goals: (1) additional Occupation Guides for management support positions and leadership positions; (2) a management and leadership development program, including a 360-degree assessment component; (3) a new Performance Management system with associated training for managers and staff; (4) updated classification audits and position descriptions of all positions; (5) revised human resources directives; and (6) initiation of the Electronic Official Personnel Folders project. While the Commission has successfully achieved some of the Phase 2 goals, others have not been met due to funding shortfalls. The activities of Phase 2 are ongoing, and include revising the Strategic Human Capital Management Plan when appropriate.

The purpose of the Strategic Human Capital Management Plan is to guide the Commission as it addresses human capital challenges, to manage issue areas, and to respond quickly to concerns when they arise. The implementation and continuous improvement of the phases referenced above will ensure that the objectives and key priorities described in the plan are achieved.

Fiscal Year 2009 Requested Appropriation Language for the U.S. International Trade Commission

Salaries and Expenses

“For necessary expenses of the U.S. International Trade Commission, including hire of passenger motor vehicles and services as authorized by 5 U.S.C. 3109, and not to exceed \$2,500 for official reception and representation expenses, \$73,600,000 to remain available until expended.”

Operation 1: Import Injury Investigations

Operation 1 covers the Commission's investigations into the effects of unfairly traded imports or an increase in imports on a U.S. industry and appellate litigation to defend Commission decisions. These include—

- AD/CVD investigations, five-year (sunset) reviews, and changed circumstances reviews under title VII of the Tariff Act of 1930;
- global safeguard and market disruption investigations under sections 202, 204, 406, 421, and 422 of the Trade Act of 1974;
- safeguard investigations pursuant to various statutes implementing free trade agreements (FTAs) (e.g., sections 302 and 312 of the North American Free Trade Agreement (NAFTA) Implementation Act of 1994); and
- World Trade Organization (WTO) consistency proceedings requested by USTR, as provided in section 129(a)(4) of the Uruguay Round Agreements Act.

All of the Commission's import injury caseload in FY 2007 consisted of title VII investigations. New import injury investigations usually are initiated in response to a petition for relief filed on behalf of a domestic industry. Reviews of outstanding AD/CVD orders are conducted every five years as long as the orders remain in effect.

Antidumping and Countervailing Duty Investigations

In AD/CVD investigations, the Commission is required to determine whether an industry in the United States is materially injured or threatened with material injury, or whether the establishment of an industry in the United States is materially retarded, by reason of imports of the merchandise that are under investigation. Commerce is required to determine whether imported merchandise is being sold in the United States at less than fair value (AD investigations), or whether a countervailable subsidy is being provided for the manufacture, production, or exportation of merchandise imported into the United States (CVD investigations).

Under the current law, the Commission makes a preliminary determination under a “reasonable indication” standard within 45 days of the filing of the petition. If the Commission’s preliminary determination is affirmative, Commerce must continue its investigation and make preliminary and final determinations concerning the alleged unfair trade practice. If Commerce’s final determination is affirmative, the Commission must complete its ongoing investigation and make a final injury determination. The Commission conducts all AD/CVD investigations in accordance with statutes that implement U.S. international obligations.

New AD/CVD investigations increased by 160 percent from FY 2006 to 2007, although the FY 2006 level was 50 percent below the level of FY 2002-2004. The Commission projects a continued increase in new filings in FY 2008 and 2009. In FY 2007 the Commission instituted 13 preliminary and six final AD/CVD investigations and completed nine preliminary and three final investigations. Most notable among the final investigations completed was certain polyester staple fiber from China, which involved more than \$100 million in subject imports. The Commission charged 15.9 workyears of direct labor to new AD/CVD investigations in FY 2007. (See Workyears by Activity and Office, p. 73.)

The Commission projects a caseload of 18 preliminary and 15 final investigations instituted and 20 preliminary and 14 final investigations completed in FY 2008, and a caseload of 18 preliminary and 15 final investigations, both instituted and completed, in FY 2009. (See Operation 1: Import Injury Investigations Caseload, p. 24.) The FY 2008 and 2009 estimates are based on the surge in new filings in the second half of FY 2007 and early FY 2008, apparently driven in part by Commerce’s recent decision to investigate allegations of countervailable subsidies provided by nonmarket economy countries such as China.

Sunset Reviews

In sunset reviews, the Commission evaluates whether material injury to a U.S. industry would likely continue, or recur, if the AD/CVD order under review were to be revoked. Such reviews must be conducted on all AD/CVD orders every five years as long as the order remains in effect. Reviews may be terminated by Commerce because of the domestic industry’s lack of response to the notice of initiation. When a review is terminated, the underlying order is revoked. If the review is not terminated, the Commission will conduct either an expedited or a full review. The Commission may conduct expedited reviews when responses of domestic and/or foreign interested parties to the notice of institution are found to be inadequate. A full review occurs

when there is adequate participation from both sides or when the Commission otherwise finds a full review is warranted. Generally, the Commission must complete expedited reviews within five months of institution and full reviews within 12 months of institution. The workload in expedited reviews is most intense during the final two months, while the workload in full reviews is most intense during the final six months.

When the requirement for sunset review was first established, during the transition period from 1999 to 2001, more than 300 AD/CVD orders were reviewed by the Commission. The transition sunset orders that remained in effect as a result of the first round of reviews returned for the second round of reviews beginning in January 2004. The number of transition sunset reviews reached sustained high levels in FY 2005 and 2006, and ended in January 2007, with more than 150 orders reviewed by the Commission. During FY 2008 there will be no transition sunset reviews. The third round of transition sunset reviews will begin in the second half of FY 2009.

During FY 2007 the Commission instituted 15 grouped sunset reviews. Two of these, however, were subsequently terminated after revocation by Commerce because of no domestic industry response. Of the remaining cases, the Commission determined to conduct seven full reviews and six expedited reviews. The Commission completed 10 full reviews and six expedited reviews during the year. (See Operation 1: Import Injury Investigations Caseload, p. 24.) Among the notable five-year reviews conducted by the Commission in FY 2007 were corrosion-resistant steel from six subject countries, cut-to-length plate from 11 subject countries, and hot-rolled steel from 10 subject countries. The U.S. markets for these products were \$16.4 billion, \$6.3 billion, and \$41.0 billion, respectively. The Commission charged 22.2 workyears of direct labor to sunset reviews in FY 2007. (See Workyears by Activity and Office, p. 73.)

Sunset reviews must be instituted five years after an AD/CVD order is issued or continued; consequently, the sunset caseload is known five years in advance. All 15 reviews that will be instituted in FY 2008 and nine of the 15 reviews that will be instituted in FY 2009 will be non-transition reviews; that is, reviews of orders issued after 1995. Because of the administrative procedures for sunset reviews, there is a three to six month time lag between institution and the beginning of full-scale Commission work on sunset cases. In planning resource allocations for sunset reviews, the Commission assumes that the same type of review (expedited or full) will occur in the second or third round as occurred in the previous round. For initial reviews, the Commission follows historic trends and assumes that multi-country reviews will receive full review and the remainder will be split between expedited reviews and those that are terminated because of no domestic interest. Applying this estimation method to the scheduled reviews, the Commission anticipates institution of nine full reviews

and five expedited reviews in FY 2008. In FY 2009 the Commission expects to institute four full reviews and nine expedited reviews. The Commission assumes that approximately two reviews per year will be revoked by Commerce due to lack of domestic interest. Reviews initiated in FY 2008 will cover 22 orders and those initiated in FY 2009 will involve 27 orders. (See Operation 1: Import Injury Investigations Caseload, p. 24.)

Other Import Injury Investigations

Other import injury investigations include safeguard investigations, changed circumstances reviews, remands with reopened records, and WTO consistency proceedings. Safeguard investigations are conducted pursuant to sections 202, 204, 406, 421, and 422 of the Trade Act of 1974 and statutory provisions in FTAs (e.g., sections 302 and 312 of the NAFTA Implementation Act). In section 204 investigations the Commission monitors industry adjustment efforts; reports to the President on the probable economic effect of the reduction, modification, termination, or extension of any relief that is in effect; and evaluates the effectiveness of any relief provided after its termination. In section 421 investigations the Commission determines whether increased imports from China cause market disruption to the U.S. industry. In changed circumstances reviews the Commission evaluates whether, in light of changed circumstances, material injury to a U.S. industry would likely continue, or recur, if the AD/CVD order under review is revoked. In remands with reopened records the Commission reopens the record of the investigation or review subject to the appeal to collect and analyze information responsive to a remand from one of its reviewing courts or bodies.

There have been no new global safeguard petitions filed under section 201 of the Trade Act of 1974 in the last five years. Similarly, in FY 2007 there were no new petitions filed under the China safeguard provision and the Commission did not initiate any changed circumstances reviews. The Commission reopened the record in two remands in FY 2007 and anticipates reopening the record in a limited number of remands in both FY 2008 and 2009. (See Operation 1: Import Injury Investigations Caseload, p. 24.)

Litigation

If an appeal challenging a Commission title VII determination is filed in the U.S. Court of International Trade (CIT), or before a binational review panel under NAFTA, the Office of the General Counsel (GC) defends the Commission's determination. GC also represents the Commission in appeals of CIT decisions to the U.S. Court of Appeals for the Federal Circuit (Federal Circuit). If there is a dispute brought before the WTO involving a Commission import injury determination, GC assists USTR in defending that determination.

In FY 2007, 21 new cases were filed in the CIT or the Federal Circuit involving challenges to either original investigations or sunset reviews. In addition, 17 new appeals were filed in the Courts challenging the actions of the Commission and U.S. Customs and Border Protection (Customs) under the Continued Dumping and Subsidy Offset Act (the "Byrd Amendment"), 19 U.S.C. §1675c (repealed for entries made on or after October 1, 2007). The Byrd Amendment authorizes Customs to distribute final antidumping and countervailing duties to companies that were either petitioners or supporters of the petition in the Commission's original injury investigations. In these 17 appeals, the plaintiffs are generally challenging the constitutionality of the Byrd Amendment's requirement that antidumping and countervailing duties be distributed only to petitioners and petition supporters; they argue that distributions should be made to all members of the industry.

During FY 2007 GC filed 23 major briefs and seven remand determinations. Also during FY 2007 GC represented the Commission in 10 oral arguments in antidumping and countervailing duty cases before U.S. courts, NAFTA panels, and the WTO. GC also assisted USTR in the preparation of a number of filings in various other WTO disputes concerning dumping and subsidization. The Commission charged 7.3 workyears of direct labor to import injury litigation before either domestic courts or international panels in FY 2007. (See Workyears by Activity and Office, p. 73.) As of September 30, 2007, 56 appeals involving Commission title VII determinations were pending at the CIT and the Federal Circuit, two disputes concerning Commission determinations were pending before NAFTA panels, and three disputes concerning Commission title VII determinations were pending before the WTO.

Resource Requirements and Workload for Import Injury Investigations

In the aggregate, Operation 1 utilized 29.7 percent of the Commission's resources in FY 2007 (see Dollar Cost: Comparison by Operation, p. 69), amounting to \$18.7 million (see Budget Summary by Operation, p. 71). In FY 2007 Operation 1 accounted for direct costs of \$10.8 million and 73 workyears. (See Operation 1: Import Injury Investigations Resource Requirements, p. 23.) In FY 2007 five offices together accounted for approximately 85.7 percent of the direct workyears. The Offices of Investigations, the Commissioners' offices, and the General Counsel contributed 20.7, 15.9 and 14.2 workyears, respectively, while the Offices of Economics and Industries contributed 7.0 and 5.1 workyears, respectively. (See Direct Labor Cost: Workyears and Dollars, p. 76.)

During FY 2007 the Commission instituted 34 grouped import injury investigations, including sunset reviews, and completed 31. The Commission projects that 49 investigations will be instituted and 49 will be completed in FY 2008, and that 48 will be instituted and 48 will be completed in FY 2009. As of January 2008, there were 10 active import injury investigations pending at the Commission. (See Operation 1: Import Injury Investigations Caseload, p. 24.)

In its Fiscal Year 2008 and 2009 Performance Plans (see attached), the Commission has set goals designed to improve its performance in conducting import injury investigations. The Commission regularly issues user surveys, soliciting feedback from the trade bar regarding process improvements. The Commission will seek to improve public access to information about its procedures, primarily through design and enhancements to its website, and will ensure that procedures are fair and properly implemented and proceedings are completed on time. The Office of the Chief Information Officer (OCIO) will continue to maintain and upgrade EDIS and work toward improving the performance of EDIS in terms of the speed with which documents are made available for viewing. In late FY 2007, OCIO began implementing a newly adopted case management system (CMS) for handling investigation documents to process them more efficiently and to make them available to the public. During FY 2008 the Commission plans to release a re-engineered version of EDIS that will improve its overall performance and usability.

Operation 1: Import Injury Investigations Resource Requirements, Fiscal Years 2007, 2008, 2009

(Dollar Amounts in Thousands)

Category of Obligation	FY 2007 Actual		FY 2008 Estimate		FY 2009 Estimate		FY 2008-09 Change	
	Workyears	Dollars	Workyears	Dollars	Workyears	Dollars	Workyears	Dollars
A. Direct Costs¹								
Personnel Compensation	73	\$7,802	80	\$8,098	84	\$9,095	4	\$997
Benefits		1,914		2,042		2,319		277
Rent		1,091		1,512		1,540		28
Travel and Transportation		44		47		57		10
Subtotal	73	\$10,852	80	\$11,699	84	\$13,011	4	\$1,312
B. Indirect Costs²								
Personnel Compensation	37	\$3,532	38	\$3,621	39	\$3,911	1	\$290
Benefits		867		928		1,092		164
Rent		489		678		690		12
Travel and Transportation		92		108		130		22
Training		70		123		153		30
Equipment/Other Rentals and Communications		189		346		437		91
Printing, Reproduction, Postage		98		99		92		-7
Land and Structures		39		53		53		0
Services		2,247		2,234		2,318		84
Supplies		208		208		264		56
Subtotal	37	\$7,831	38	\$8,398	39	\$9,140	1	\$742
TOTAL RESOURCE REQUIREMENTS	110	\$18,683	118	\$20,097	123	\$22,151	5	\$2,054

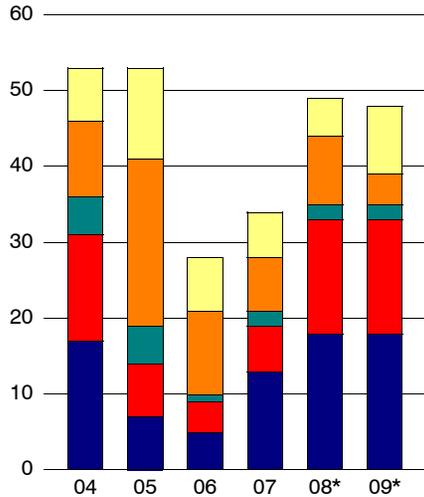
¹ Direct Costs include personnel costs directly attributed to the five operations including the Commissioners and Information Technology Services, as well as rent and travel charged directly to the five operations in the Commission's Strategic Plan.

² Indirect Costs include personnel costs such as EEO and general administration support services. Indirect costs also include virtually all non-personnel costs, such as contractual services, supplies, and equipment, as well as rent, travel and training, labor, union, and OSHA. Most indirect costs are allocated to operations according to the percentage of total costs directly charged to each operation.

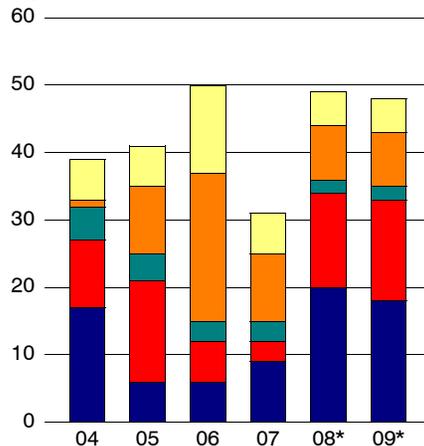
Source: Actual Costs derived from the Labor Cost Reporting System and Accounting System. Estimates provided by the Cost Center Managers and Office Directors.

Operation 1: Import Injury Investigations Caseload

Instituted, FY 2004-2009



Completed, FY 2004-2009



* Estimate

Summary of Import Injury Investigations, FY 2004-2009

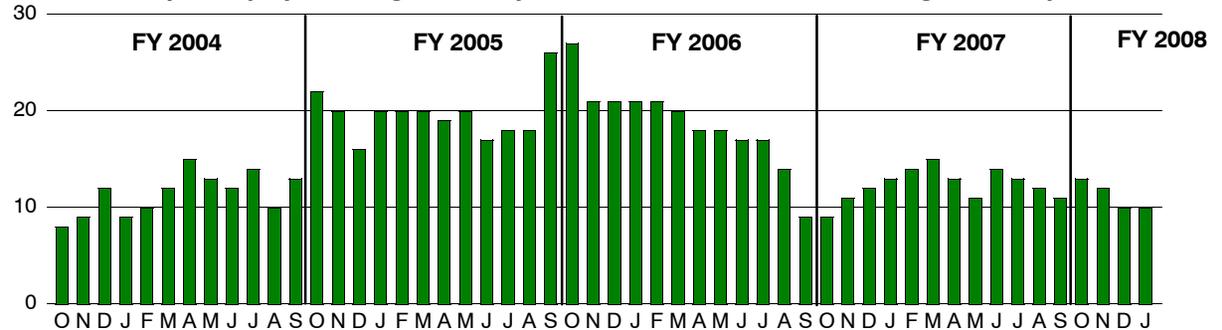
Type and status	FY 2004 actual	FY 2005 actual	FY 2006 actual	FY 2007 actual	FY 2008 estimate	FY 2009 estimate
Import Injury Investigations						
Instituted						
Preliminary Title VII ¹	17	7	5	13	18	18
Final Title VII ¹	14	7	4	6	15	15
Other ²	5	5	1	2	2	2
Full Sunset ³	10	22	11	7	9	4
Expedited Sunset ³	7	12	7	6	5	9
Total	53	53	28	34	49	48
Completed						
Preliminary Title VII ¹	17	6	6	9	20	18
Final Title VII ¹	10	15	6	3	14	15
Other ²	5	4	3	3	2	2
Full Sunset	1	10	22	10	8	8
Expedited Sunset	6	6	13	6	5	5
Total	39	41	50	31	49	48

¹ The data shown for preliminary and final title VII investigations group antidumping and countervailing duty investigations together since these investigations generally run concurrently and are handled by the same investigative team.

² Other includes section 201 Safeguard, section 204 Safeguard review, section 421 China Safeguard, remands with reopened records, and other investigations.

³ Does not include reviews that were terminated without Commission determination.

Active* Import Injury Investigations, by month, for October 2004 through January 2008



* Active during the month.

Source: Office of Investigations.

Operation 2: Intellectual Property-Based Import Investigations

Section 337 of the Tariff Act of 1930, as amended, authorizes the Commission to investigate alleged unfair methods of competition and unfair acts in the importation of articles into the United States, or in their sale. Most of these investigations involve allegations relating to infringement of U.S. patents and trademarks. If the Commission finds a violation, it may issue an exclusion order barring the imported product from entry into the United States, and it may also direct a respondent to cease and desist from engaging in the unfair practices. The violation of a cease and desist order can be punished by civil penalties of up to \$100,000 a day or twice the domestic value of the articles entered or sold. The President may, for policy reasons, disapprove Commission exclusion and/or cease and desist orders within 60 days of their issuance. Commission determinations may be appealed to the Federal Circuit.

Section 337 investigations normally are instituted after a private party files a complaint. Most phases of these trial-type investigations must be conducted in conformity with the formal adjudication provisions of the Administrative Procedure Act. The Commission is required to determine whether there has been a violation of section 337 and, if so, the appropriate remedy to be imposed. The Commission endeavors to conclude section 337 investigations as expeditiously as possible, preferably within 18 months of institution.

The Commission's ALJs, with the assistance of their staff, conduct conferences and trials, issue initial determinations, and facilitate and approve settlement agreements. A doubling of the caseload since FY 2004 led the Commission to approve the addition of a slot for a fifth ALJ position and related staff in October 2006. During FY 2007, however, two of the Commission's four sitting ALJs retired and two new ALJs were hired, again leaving the Commission with only four ALJs by early FY 2008.

The Office of Unfair Import Investigations (OUII), which represents the public interest, investigates the factual and legal bases for allegations presented in section 337 complaints, develops evidence through discovery, and participates in trials. The determinations of the ALJs are subject to discretionary review or adoption by the Commission. The GC provides advice to the Commissioners during the review process and defends the final Commission decision during any subsequent appeal.

Section 337 investigations usually involve complex factual and legal determinations. The spectrum of products and intellectual property rights that have been the subject of section 337 investigations is extremely broad. Approximately one-third of the 73 active investigations in FY 2007 concerned products in high technology areas, especially in the semiconductor, telecommunications, computer, and consumer electronics fields. Investigations concerned products such as digital processors, cellular telephones, personal computers, global positioning system (GPS) devices, and portable digital media players. There were also a number of investigations involving medical devices, including endoscopic probes, insulin delivery devices, and endodontic instruments. Other section 337 investigations active during the year focused on a variety of consumer items, including ink cartridges, rechargeable lithium-ion batteries, bassinets, foam footwear, and stringed musical instruments.

The section 337 caseload, which increased substantially in FY 2006, remained at a high level in FY 2007. Whereas there were fewer than 30 new investigations and ancillary proceedings instituted in FY 2004 and 2005, in FY 2006 the Commission instituted 40 new investigations and ancillary proceedings, and in FY 2007 the Commission instituted 33 new investigations and ancillary proceedings. Overall, 73 section 337 investigations and ancillary proceedings were active during FY 2007, slightly more than the 70 that were active during FY 2006, but considerably more than the 57 active in FY 2005. The 73 matters active during FY 2007 consisted of 31 investigations instituted on the basis of new complaints of violations of the statute, two new ancillary proceedings relating to prior investigations, and 40 investigations and ancillary proceedings that carried over from FY 2006. Commission personnel spent 37.9 workyears on intellectual property-based investigations and litigation in FY 2007. (See *Workyears by Activity and Office*, p. 73.) It is expected that the Commission's section 337 caseload will continue to increase in FY 2008 and remain at an elevated level in FY 2009. (See *Operations 2: Intellectual Property-Based Investigations Caseload*, p. 30.) As a result of this increased investigative caseload, appellate litigation is also expected to increase.

Resource Requirements and Workload for Intellectual Property-Based Import Investigations

In the aggregate, Operation 2 utilized 20.9 percent of the Commission's resources in FY 2007 (see Dollar Cost: Comparison by Operation, p. 69), amounting to \$13.1 million (see Budget Summary by Operation, p. 71). In terms of direct costs, Operation 2 accounted for \$8.2 million in FY 2007, with 53 workyears charged to it. (See Operation 2: Intellectual Property-Based Import Investigations Resource Requirements, p. 29.) Offices charging direct workyears to this operation in FY 2007 included OUII (15.6 workyears), the Office of the ALJs (12.2 workyears), and the Office of the GC (10.3 workyears). (See Direct Labor Cost: Workyears and Dollars, p. 76.)

During December 2007, 46 section 337 proceedings were active at the Commission compared to 40 in December 2006, which in turn represented a 33 percent increase over the number active during December 2005. New complaint activity in the first quarter of FY 2008 has been exceptionally heavy. The Commission now projects that approximately 50 new investigations and ancillary proceedings will be instituted in both FY 2008 and 2009. During FY 2007 the Commission completed 35 investigations and ancillary proceedings. The Commission projects the completion of approximately 40 investigations and ancillary proceedings in FY 2008 and approximately 42 in FY 2009. (See Operation 2: Intellectual Property-Based Import Investigations Caseload, p. 30.)

At the end of FY 2007, 27 appeals, from 17 section 337 determinations, were pending before the Federal Circuit. Eighteen other appeals were litigated to completion, dismissed for jurisdictional reasons, or voluntarily dismissed by appellants during FY 2007. The average number of pending appeals of section 337 determinations during FY 2007 rose significantly over FY 2006 levels, and were well above historical levels. This increase reflects the increased number and complexity of section 337 investigations that the Commission has experienced in the section 337 area in recent years. In FY 2007 the Commission charged 3.2 workyears to section 337 appellate litigation. (See Workyears by Activity and Office, p. 73.)

In its Fiscal Year 2008 and 2009 Performance Plans, the Commission has set goals designed to improve its performance in conducting Intellectual Property-Based Import Investigations. The Commission will continue to seek to complete proceedings expeditiously, increase the effectiveness of agency orders, and enhance the provision of information to the public about the section 337 process. The Commission will work to ensure that deadlines in section 337 proceedings are met and that such proceedings are completed as quickly as

possible. With the recent hiring of the two new ALJs, the Commission again has four ALJs, which should assist the Commission in meeting the challenges of its increased section 337 workload. The Commission also hopes to be able to recruit and hire a fifth ALJ during FY 2008.

The Commission will also seek to improve public access to information about its section 337 proceedings, primarily through design and enhancements to its website. The OCIO will continue to maintain and upgrade EDIS and work toward improving the performance of EDIS in terms of the speed with which documents are made available for viewing. In late FY 2007 the OCIO began implementing a CMS that will more efficiently process case documents and improve their availability to the public.

During FY 2007 the Commission's 337 enforcement working group provided scheduling information relating to the issuance of exclusion orders to Customs on a quarterly basis. During FY 2008 members of the enforcement working group will meet at least semiannually with representatives from the Intellectual Property Rights Branch of Customs to discuss matters relating to exclusion order enforcement.

Operation 2: Intellectual Property-Based Import Investigations Resource Requirements, Fiscal Years 2007, 2008, 2009

(Dollar Amounts in Thousands)

Category of Obligation	FY 2007 Actual		FY 2008 Estimate		FY 2009 Estimate		FY 2008-09 Change	
	Workyears	Dollars	Workyears	Dollars	Workyears	Dollars	Workyears	Dollars
A. Direct Costs¹								
Personnel Compensation	53	\$5,814	60	\$6,196	63	\$7,015	3	\$819
Benefits		1,428		1,425		1,747		322
Rent		953		1,321		1,345		24
Travel and Transportation		38		43		52		9
Subtotal	53	\$8,233	60	\$8,985	63	\$10,159	3	\$1,174
B. Indirect Costs²								
Personnel Compensation	22	\$1,797	26	\$2,176	26	\$2,273	0	\$97
Benefits		441		644		672		28
Rent		427		592		603		11
Travel and Transportation		57		65		77		12
Training		48		82		102		20
Equipment/Other Rentals and Communications		150		274		345		71
Printing, Reproduction, Postage		85		86		80		-6
Land and Structures		34		45		45		0
Services		1,677		1,622		1,775		153
Supplies		182		182		231		49
Subtotal	22	\$4,900	26	\$5,768	26	\$6,203	0	\$435
TOTAL RESOURCE REQUIREMENTS	75	\$13,133	86	\$14,753	89	\$16,362	3	\$1,609

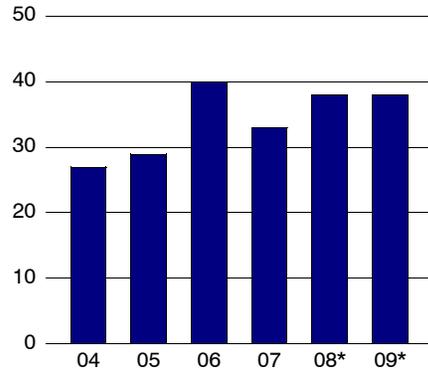
¹ Direct Costs include personnel costs directly attributed to the five operations including the Commissioners and Information Technology Services, as well as rent and travel charged directly to the five operations in the Commission's Strategic Plan.

² Indirect Costs include personnel costs such as EEO and general administration support services. Indirect costs also include virtually all non-personnel costs, such as contractual services, supplies, and equipment, as well as rent, travel and training, labor, union, and OSHA. Most indirect costs are allocated to operations according to the percentage of total costs directly charged to each operation.

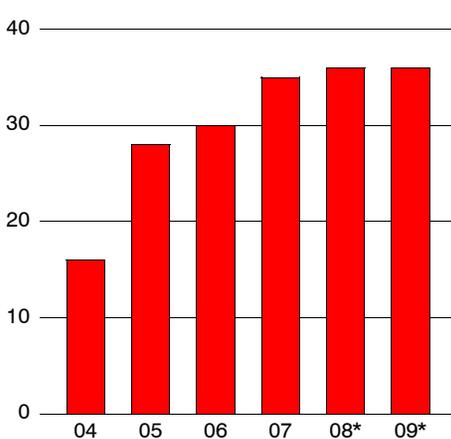
Source: Actual Costs derived from the Labor Cost Reporting System and Accounting System. Estimates provided by the Cost Center Managers and Office Directors.

Operation 2: Intellectual Property-Based Import Investigations Caseload

Instituted, FY 2004-2009



Completed, FY 2004-2009

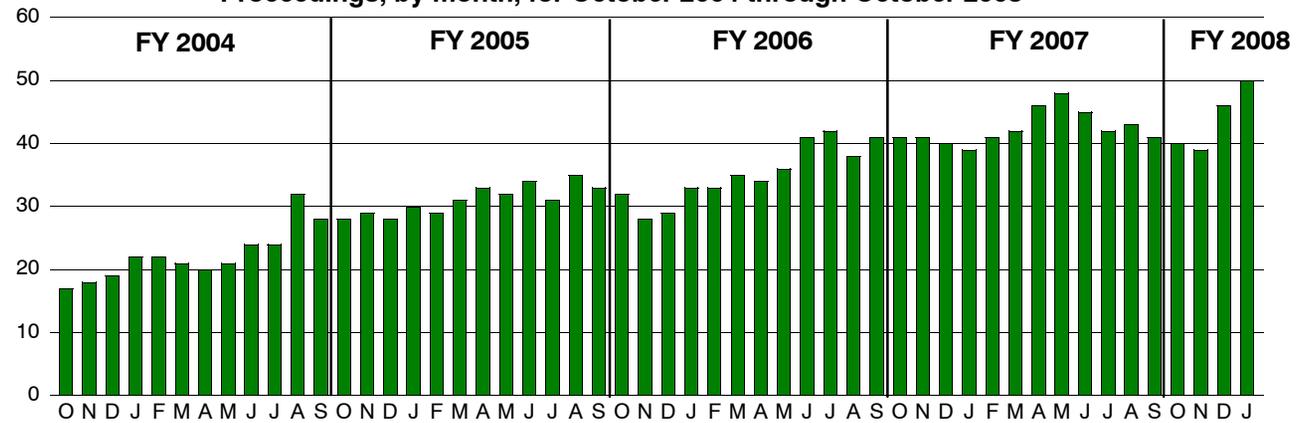


* Estimate

Summary of Intellectual Property-Based Import Investigations and Ancillary Proceedings, FY 2004-2009

Status	FY 2004 actual	FY 2005 actual	FY 2006 actual	FY 2007 actual	FY 2008 estimate	FY 2009 estimate
Instituted	27	29	40	33	50	50
Completed	16	28	30	35	40	42

Active* Intellectual Property-Based Import Investigations and Ancillary Proceedings, by month, for October 2004 through October 2008



* Active during the month.

Source: Office of Unfair Import Investigations.

Operation 3: Industry and Economic Analysis

Industry and Economic Analysis supports trade negotiators and trade policymakers in the legislative and executive branches by developing objective and timely reports and analysis. By maintaining the highest level of industry, economic, and regional trade expertise, the Commission is a recognized leader in independent research and analysis of international trade and industry competitiveness. Commission efforts in this operation take two forms. In statutory investigations, the Commission responds to statutorily authorized requests of the legislative and executive branches. These requests result in official investigative reports that present Commission analysis and findings on the requested topic. The Commission's industry and economic experts also conduct other (non-statutory) research and analysis in areas of significant importance to the U.S. economy. These efforts focus on developing the expertise necessary to support statutory work in Operations 1, 3, and 4, as well as technical support provided under Operation 5. The work in this area contributes to future work requested under statutory authority and often culminates in published staff papers and articles.

Statutory Investigations

Statutory investigations conducted by the Commission generally fall into three broad categories: (1) industry and economic analysis investigations regarding trade, tariff, and competitiveness issues; (2) reports to the USTR on sector-specific probable economic effects of proposed FTAs and other trade policy changes; and (3) reports to Congress and the President assessing the potential economywide and sectoral effects of signed FTAs. These investigations typically involve public hearings; written or telephone surveys of U.S. producers, importers, and consumers; domestic and foreign fieldwork; interviews with industry, government, and academic experts; extensive literature reviews; data compilation; and analysis. Investigations typically last three to 12 months, but can vary considerably outside that range as a result of the complexity or urgency of the subject matter pursuant to the request. Likewise, staffing can vary considerably, from a few to 50 or more team members consisting of trade analysts, economists, and attorneys. Commission personnel charged 50.3 workyears to statutory investigations in FY 2007. (See Workyears by Activity and Office, p. 73.) During FY 2007 the Commission completed 14 investigations and instituted 22 new investigations. (See Operation 3: Industry and Economic Analysis Investigations Caseload, p. 42.)

General Factfinding and Analytical Investigations

The Commission conducts general factfinding and analytical investigations regarding trade, tariff, and competitiveness issues pursuant to section 332(g) of the Tariff Act of 1930. This provision authorizes the President, the Congress, the House Committee on Ways and Means, or the Senate Committee on Finance to direct the Commission to conduct specific trade-related investigations and to report its findings. The Commission also is authorized to self-initiate investigations and studies on trade matters under section 332(b). Section 332 investigations can take several forms and approaches, such as:

- examining specific foreign industries or countries for the purpose of identifying existing foreign tariffs, nontariff barriers, and other background information to assist U.S. trade negotiators;
- monitoring and reporting on specific countries or regions with respect to economic and trade activities as specified by the requestor; and
- analyzing specific industries and products and providing information regarding the conditions of competition in U.S. and foreign markets, trade levels and trends, and government policies affecting the industries.

USTR and Congress often request one-time industry and economic analysis investigations that include time critical information on current economic issues. Other times, requests take the form of recurring or multi-year investigations. In those cases, reports may be delivered over a specific time frame, such as yearly over five years, or perpetually.

The Commission completed seven nonrecurring industry and economic analysis investigations during FY 2007. Highlights of these selected studies follow:

- **Commercial Availability of Apparel Inputs (2006): Effect of Providing Preferential Treatment to Apparel from Sub-Saharan African, Caribbean Basin, and Andean Countries**, Inv. No. 332-473 (Pub. No. 3904; January 2007). This report contains multiple “short supply” analyses providing advice regarding the granting of duty-free treatment for apparel made from certain fabrics or yarns that are the subject of petitions filed in 2006 with the Committee for the Implementation of Textile Agreements. The petitions were filed by interested parties under the “commercial availability” provisions of the African Growth and Opportunity Act (AGOA), the Caribbean Basin Trade Preference Act (CBTPA), and the Andean Trade Promotion and Drug Eradication Act (ATPDEA).

- **Medical Devices and Equipment: Competitive Conditions Affecting U.S. Trade in Japan and Other Principal Foreign Markets**, Inv. No. 332-474 (Pub. No. 3909; March 2007). This report examines the competitive conditions affecting U.S. sales and trade of medical devices and equipment with Japan and other principal foreign markets for the most recent five-year period. The Commission focused on the leading U.S. exports of medical devices to these markets throughout this period, paying particular attention to regulatory conditions in Japan, the European Union, and the United States.
- **Advice Concerning Possible Modifications to the U.S. Generalized System of Preferences: 2006 Review**, Inv. No. 332-483 (Confidential Report issued to USTR; Public Report (Pub. No. 3919; April 2007)). This report provides advice as to the effects of waivers of the “competitive need” limits for certain HTS subheadings under the U.S. Generalized System of Preferences.
- **Certain Sugar Goods: Probable Economic Effect of Tariff Elimination under NAFTA for Goods of Mexico**, Inv. No. 332-490 (Pub. No. 3928; August 2007). This report provides advice as to the effect of certain sugar goods imported from Mexico, especially on total U.S. sugar imports, and on domestic producers of the affected articles.
- **U.S. Agricultural Sales to Cuba: Certain Economic Effects of U.S. Restrictions**, Inv. No. 332-489, (Pub. No. 3932; July 2007). This report provides analysis on the economic effects of U.S. statutory and administrative restrictions related to trade on U.S. agricultural sales to Cuba.
- **Probable Economic Effect of Providing Duty-Free, Quota-Free Treatment for Imports from Least-developed Countries**, Inv. No. 332-486 (Confidential Report issued to USTR; July 2007). This report provides classified advice about the effects upon domestic producers and consumers of eliminating duties and tariff-rate quotas on imports from the least-developed countries (as designated by the United Nations), as specified in the Hong Kong WTO Ministerial Conference Agreement of December 2005.
- **Certain Textile Articles: Performance Outerwear**, Inv. No. 332-479 (Pub. No. 3937; July 2007). This report provides 2005 and 2006 data on the level of U.S. production and shipments of certain high performance outerwear jackets and pants, and the fabrics used to make such articles. The report also provides definitions for the subject products.

The Commission delivered reports on eight multi-year (recurring) investigations in FY 2007.

- **The Economic Effects of Significant U.S. Import Restraints: Fifth Update 2007**, Inv. No. 332-325 (Pub. No. 3906; February 2007)
- **Sub-Saharan Africa: Factors Affecting Trade Patterns of Selected Industries: First Annual Report**, Inv. No. 332-477 (Pub. No. 3914; April 2007)
- **Recent Trends in U.S. Services Trade 2007 Annual Report**, Inv. No. 332-345 (Pub. No. 3925; June 2007)
- **Shifts in U.S. Merchandise Trade 2006**, Inv. No. 332-345 (Pub. No. 3940; August 2007)
- **The Impact of the Caribbean Basin Economic Recovery Act: Eighteenth Report 2005-2006**, Inv. No. 332-227 (Pub. No. 3954; September 2007)
- **Monitoring of U.S. Imports of Tomatoes**, Inv. No. 332-350 (Pub. No. 3950; November 2007)
- **Monitoring of U.S. Imports of Peppers**, Inv. No. 332-351 (Pub. No. 3960; November 2007)
- **Ethyl Alcohol for Fuel Use: Determination of the Base Quantity of Imports**, Inv. No. 332-288 (electronic publication, December 2007)

Probable Economic Effect Investigations

The Commission assesses the potential impact of proposed FTAs on specific sectors of the economy and for specific line items in the HTS. These investigations are conducted primarily under the authority of: (1) section 131 of the Trade Act of 1974; (2) section 2104(b)(2) of the Trade Act of 2002; and (3) section 103 of certain free trade agreement implementation acts such as the NAFTA Implementation Act.

Section 131 investigations involve line item advice for U.S. negotiators as they prepare for trade negotiations. Section 2104(b)(2) investigations involve advice to negotiators regarding the impact of liberalizing trade for sensitive agricultural products. The Commission consolidates these two investigations into one classified probable economic effects report to negotiators. Section 103 investigations analyze the likely effect of modification to the rules of origin under specific trade agreements.

The Commission conducted two section 103 rules-of-origin investigations during FY 2007. The investigations were:

- **NAFTA: Certain Textile Articles: Probable Effect of Modification of NAFTA Rules of Origin for Goods of Canada and Mexico (Sanitary Articles and Nonwoven Wipes) and for Goods of Canada (Chenille Fabrics)**, Inv. No. NAFTA-103-18 (Pub. No. 3926; June 2007). This report provides advice concerning the probable effect on U.S. trade under NAFTA, on total U.S. trade, and on domestic producers of proposed modifications to NAFTA rules of origin for (1) sanitary towels or tampons and nonwoven wipes of viscose rayon staple fibers that are goods of the United States, Canada, and Mexico, and (2) chenille fabrics of acrylic staple fibers that are goods of the United States and Canada
- **DR-CAFTA: Probable Effect of Certain Modifications to DR-CAFTA Rules of Origin and Tariffs for Certain Apparel Goods**, Inv. No. DR-CAFTA-103-16 (Pub. No. 3946; September 2007). This report provides advice on the probable economic effect of modifications to the rules of origin and tariff treatment for certain apparel goods specified in the Dominican Republic - Central American Free Trade Agreement (DR-CAFTA) Implementation Act, as set forth in letters of understanding signed in 2006 with the Dominican Republic and Costa Rica.

Assessments of Negotiated Trade Agreements

The Commission assesses the likely economywide and selected sectoral effects of negotiated FTAs as mandated by section 2104(f) of the Trade Act of 2002. The Act requires the Commission to analyze the likely effects of negotiated trade agreements on the U.S. economy and on specific U.S. economic sectors, including the effects on U.S. gross domestic product, trade, employment, and consumers. The Commission completed investigations regarding three FTAs during FY 2007: Colombia, Korea, and Panama. For Colombia and Korea, the Commission's economic assessment employed a global computable general equilibrium (CGE) model for a quantitative assessment of the potential impact of the respective trade agreement's market access provisions. For Panama, use of the global CGE model was not appropriate, so partial equilibrium analysis was used. Other economic effects of these agreements were assessed using qualitative analysis. The reports also offer a comprehensive summary of all provisions in the agreements and any attendant potential effects of those agreements. They also explain any changes to respective bilateral tariffs required by the agreements.

USTR is required to request the study at least 90 days prior to the signing of a trade agreement. The Commission is required to submit its report to the Congress and USTR no later than 90 days after signing. Hence, these reports are often referred to as “90-90” studies.

The Commission issued three such reports in FY 2007.

- **U.S.-Colombia Free Trade Agreement: Potential Economy-wide and Selected Sectoral Effects**, Inv. No. TA-2104-023 (Pub. 3896; December 2006).
- **U.S.-Korea Free Trade Agreement: Potential Economy-wide and Selected Sectoral Effects**, Inv. No. TA-2104-241 (Pub. No. 3949; September 2007).
- **U.S.-Panama Trade Promotion Agreement: Potential Economy-wide and Selected Sectoral Effects**, Inv. No. TA-2104-025 (Pub. No. 3948, September 2007).

Other Statutory Investigations

In addition to the three major types of statutory investigations, the Commission conducts investigations regarding the commercial availability of certain fabrics and yarns that are produced in AGOA countries. These investigations focus on product availability within Sub-Saharan Africa. Specifically, such investigations are required if the Commission receives a proper petition requesting a determination whether a fabric or yarn is available in commercial quantities for use and apparel production by lesser developed beneficiary Sub-Saharan African countries. If the Commission makes an affirmative determination, section 112(c)(2)(B)(i) of AGOA requires the Commission to determine the quantity of such fabric or yarn that will be available in the following fiscal years.

In FY 2007 the Commission conducted an investigation on denim fabric, **Commercial Availability of Fabrics and Yarns in AGOA Countries: Certain Denim**, Inv. No. AGOA-07-001 (Pub. No. 3950; September 2007). In FY 2008 the Commission is conducting two related investigations regarding denim fabric.

The Commission also conducts an investigation regarding the Operation of the Trade Agreements Program each year as required by section 163(c) of the Trade Act of 1974. The Commission’s annual report is issued in July of each year. See **The Year in Trade 2006: Operation of the Trade Agreements Program** (Pub. No. 3927; July 2007).

Other Industry and Economic Analysis Activities

Industry and Economic Analysis activities include producing an extensive array of staff publications on topical and emerging trade issues and delivering presentations to many government agencies and private groups. Commission industry analysts and research economists have to maintain expert knowledge of the U.S. and global economies and have a high level of industry, regional, and economic expertise. This expertise is frequently called upon by trade policymakers in the executive and legislative branches for informal assistance and counsel. Staff publications and presentations are intended to keep the Commission and trade policymakers informed of the latest developments potentially affecting the United States in specific industries in the international trade arena. Preparation of trade publications, formal presentations, and participation in supporting activities are essential to maintaining staff knowledge, skills, and abilities.

Staff publications include articles in the *Journal of International Commerce and Economics*, staff research studies, conference/working papers, and research notes/publications. Using these various reporting modes, personnel produced seven articles for the *Journal of International Commerce and Economics*, one research study, 22 conference/working papers, and nine research notes/publications. Commission personnel gave 45 formal presentations during FY 2007. During this time frame, Commission personnel charged 23.3 workyears to these activities, including three workyears on nontariff measures, and two workyears on China related research. (See Workyears by Activity and Office, p. 73.)

The Commission employs numerous approaches to analyze the effects of any changes in U.S. trade policies on the U.S. economy in specific industrial, agricultural, or services sectors. These methods include statistical, econometric, and simulation analyses, as well as survey methods. In FY 2007 Commission personnel charged almost nine workyears to activities related to developing and refining technical analytic models and data collections and analysis. These efforts contributed directly and indirectly to statutory studies such as *Certain Sugar Goods*, *The U.S.-Korea Free Trade Agreement*, and *Import Restraints* studies, and technical assistance for Congress on potential changes to U.S. preference programs. During FY 2007 the Commission continued significant independent research to assess the abilities of its current models to accurately capture the effects of trade policy changes. The Commission occasionally uses contract resources to supplement in-house resources and keep its modeling capabilities and databases current.

The Commission's analysts and economists maintain a very high level of knowledge in their respective portfolios by attending conferences and conducting field work to obtain information from primary sources. Maintaining a robust research and monitoring capability and developing expertise in a variety of emerging trade areas ensures that the Commission is able to provide formal reports to Congress and USTR on relatively short notice, thereby meeting increasingly time sensitive demands of trade policymakers.

The Commission continues to develop expertise in new and existing areas (1) to further illuminate the U.S.-China trade relationship; (2) to analyze the linkages between trade and investment, service trade, the environment, intellectual property rights, and labor; (3) to track sectoral and regional effects of trade policy changes; and (4) to quantify nontariff measures affecting trade. The expertise acquired by personnel through research activities is used extensively in support of Operations 1, 4, and 5, as well as for Commission reports generated in Operation 3. For example, the Commission is frequently called upon to provide timely assistance to the legislative and executive branches in the form of staff-to-staff assistance. Commission personnel also serve as in-house experts on the products subject to various import injury investigations conducted by the Commission.

Workload Expectations in FY 2008 and 2009

For FY 2008 and 2009 the Commission has received requests (1) to examine AGOA country trade developments, (2) to examine economic development issues in the Caribbean Basin Economic Recovery Act (CBERA) countries, (3) to examine the effects of sanitary and phytosanitary measures on U.S. beef markets, (4) to monitor fabric availability and use in the AGOA countries, and (5) to assess the competitive conditions affecting the U.S. chemical and biofuels industries developing and adopting new biotechnology processes and products. In addition, the Commission has continued to work on three wide-reaching studies examining practices and policies affecting trade between the United States and China.

Since 2002 the Commission has conducted studies of all trade agreements signed under Trade Promotion Authority, but with the expiration of that authority the Commission anticipates a decline in that workload until Congress re-examines the question. However, the Commission has experienced an increase in country- and product-specific related studies and anticipates that workload to remain steady and perhaps grow. In addition to studies requested under statutory authority, the Commission remains committed to increasing the expertise of its personnel in a number of important areas such as services trade; nontariff measures; and

trade-related labor, intellectual property rights, investment, and environmental issues. The Commission has developed and begun to apply unique capabilities to measure barriers in services trade and to measure and quantify the trade impacts of nontariff measures. The Commission also anticipates initiating the building of an extensive database on foreign direct investment and services trade to complement its already extensive expertise in merchandise trade.

Resource Requirements and Workload for Industry and Economic Analysis

In the aggregate, Operation 3 utilized 38.0 percent of the Commission's resources in FY 2007 (see Dollar Cost: Comparison by Operation, p. 69), amounting to \$23.9 million (see Budget Summary by Operation, p. 71). In terms of direct costs, Operation 3 accounted for \$13.1 million in FY 2007, with 94 workyears charged to it. (See Operation 3: Industry and Economic Analysis Resource Requirements, p. 41.) The Office of Industries and the Office of Economics together accounted for 74 percent of the direct workyears charged to this operation in FY 2007, with 50.6 and 18.8 workyears, respectively. (See Direct Labor Cost: Workyears and Dollars, p. 76.) Studies produced under Operation 3 are conducted primarily by industry analysts in the Office of Industries who specialize in areas such as agriculture and forest products, textiles, electronics, transportation, chemicals, natural resources, and services; and economists in the Office of Economics with regional or analytical specialties.

As discussed above, during FY 2007 the Commission completed 14 investigations and instituted 22 new investigations. The Commission projects institution of 17 new investigations in FY 2008 and FY 2009. (See Operation 3: Industry and Economic Analysis Investigations Caseload, p. 42.) To date, the Commission has received three requests during FY 2008 and is aware of two pending requests. These investigations will come from scheduled WTO activity in services and other areas, recent emphasis on bilateral FTAs, and a continuing demand for industry specific investigations. Eighteen investigations were active during the first quarter of 2008 (including eight recurring investigations).

As reflected in its Fiscal Year 2008 and 2009 Performance Plans (see attached), the Commission's goal is to provide sound research products in an objective and timely manner that contributes to more informed public debate and improved trade policymaking. In order to meet the expressed needs of the Commission's customers, personnel seek to (1) continue to analyze productivity changes resulting from new manufacturing processes in certain industries; (2) conduct and implement model testing to monitor performance of Commission economic models; (3) conduct an analysis of indirect costs faced by U.S. industries on their international competitiveness and the impact of long-term sectoral investment flows; and (4) develop and use new tools and databases related to at least two sectors of trade negotiations. In addition, the Commission will continue to strengthen its China expertise through ongoing analysis of the country's trade and investment flows, impact in global markets, and progress in meeting international obligations.

Operation 3: Industry and Economic Analysis Resource Requirements, Fiscal Years 2007, 2008, 2009

(Dollar Amounts in Thousands)

Category of Obligation	FY 2007 Actual		FY 2008 Estimate		FY 2009 Estimate		FY 2008-09 Change	
	Workyears	Dollars	Workyears	Dollars	Workyears	Dollars	Workyears	Dollars
A. Direct Costs¹								
Personnel Compensation	94	\$9,124	94	\$9,167	94	\$9,287	0	\$120
Benefits		2,241		2,240		2,303		63
Rent		1,703		2,401		2,362		-39
Travel and Transportation		68		77		92		15
Subtotal	94	\$13,136	94	\$13,885	94	\$14,044	0	\$159
B. Indirect Costs²								
Personnel Compensation	55	\$4,934	55	\$5,069	55	\$5,132	0	\$63
Benefits		1,212		1,355		1,398		43
Rent		763		1,057		1,077		20
Travel and Transportation		98		111		133		22
Training		87		148		185		37
Equipment/Other Rentals and Communications		264		483		607		124
Printing, Reproduction, Postage		152		154		143		-11
Land and Structures		60		80		80		0
Services		2,906		2,813		3,093		280
Supplies		324		324		411		87
Subtotal	55	\$10,798	55	\$11,594	55	\$12,259	0	\$665
TOTAL RESOURCE REQUIREMENTS	149	\$23,935	149	\$25,479	149	\$26,303	0	\$824

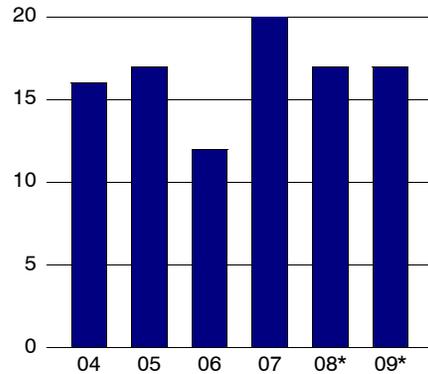
¹ Direct Costs include personnel costs directly attributed to the five operations including the Commissioners and Information Technology Services, as well as rent and travel charged directly to the five operations in the Commission's Strategic Plan.

² Indirect Costs include personnel costs such as EEO and general administration support services. Indirect costs also include virtually all non-personnel costs, such as contractual services, supplies, and equipment, as well as rent, travel and training, labor, union, and OSHA. Most indirect costs are allocated to operations according to the percentage of total costs directly charged to each operation.

Source: Actual Costs derived from the Labor Cost Reporting System and Accounting System. Estimates provided by the Cost Center Managers and Office Directors.

Operation 3: Industry and Economic Analysis Investigations Caseload¹

Instituted, FY 2004-2009

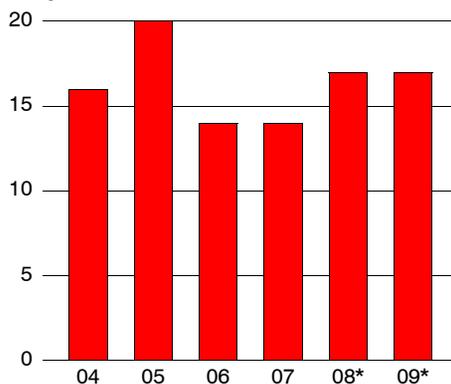


Summary of Investigations by Fiscal Year

Status	FY 2004 actual	FY 2005 actual	FY 2006 actual	FY 2007 actual	FY 2008 estimate	FY 2009 estimate
Instituted	16	17	12	22	17	17
Active ²	34	36	26	33	34	35
Completed	16	21	14	14	17	17

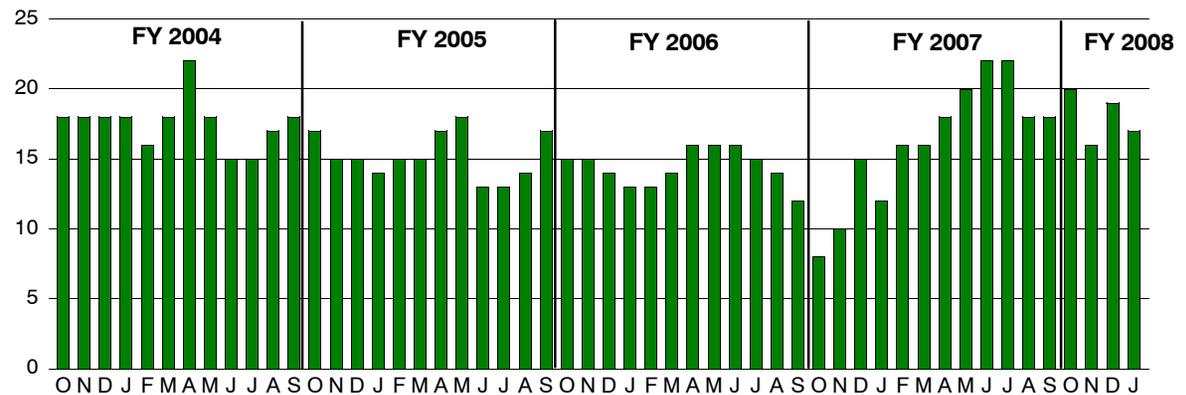
² Three investigations were inactive during FY 2004 through January 2005.

Completed, FY 2004-2009



* Estimate

Active* Investigations, by month, for October 2004 through January 2008



* Active during the month.

Source: Office of Industries.

¹ Includes investigations conducted under section 332 of the Tariff Act of 1930, sections 103, 131, and 163(c) of the Trade Act of 1974 and section 2104 of the Trade Act of 2002.

Operation 4: Tariff and Trade Information Services

Tariff and Trade Information Services include such activities as maintenance of the HTS, preparation of legislative reports for Congress, maintenance of the online Interactive Tariff and Trade DataWeb (DataWeb), and management of Commission trade databases. Other tariff and trade information services requiring Commission resources include contributions to the development of the interagency International Trade Data System (ITDS); maintenance of U.S. commitments under Schedule XX of the General Agreement on Tariffs and Trade/World Trade Organization (GATT/WTO); maintenance of the electronic version of the U.S. Schedule of Services Commitments under the General Agreement on Trade in Services (GATS); preparation of the electronic database that supports U.S. submissions to the WTO Integrated Database; and related information gathering, processing, and dissemination activities.

Maintenance of the Harmonized Tariff Schedule of the United States

The HTS is a comprehensive list of duties imposed on goods imported into the United States. The Harmonized Tariff Schedule of the United States Annotated (HTSA) consists of the HTS, its statistical annotations, and other related information. The HTS is used by Customs to assess duties on imports, by economists and industry analysts as a statistical tool for tracking imports, and by commercial firms in planning their import programs. Maintenance of the HTS/HTSA includes several closely related functions:

- publishing the HTS, issuing annual hardcopy and CD-ROM editions of the HTSA, and posting an electronic version on the Commission website in accordance with section 1207 of the Omnibus Trade and Competitiveness Act of 1988;
- fulfilling the Commission's responsibilities for statistical annotation of the HTS, in coordination with Customs and the Bureau of the Census, under section 484 of the Tariff Act of 1930;
- participating in the work of the Harmonized System Committee, its Review Sub-Committee, and the Scientific Sub-Committee of the World Customs Organization in maintaining the

international Harmonized System of tariff nomenclature, as directed by section 1210 of the 1988 Act (a Commission staff member leads the U.S. Delegation to the Review Sub-Committee); and

- preparing the list of U.S. commitments under Schedule XX of the GATT/WTO (i.e., U.S. tariff concessions with respect to trade in goods) in the appropriate legal language conforming to the international Harmonized System of tariff nomenclature.

When amendments or modifications to the HTSA are proclaimed or ordered by the President, enacted by the Congress, or adopted by the Committee for Statistical Annotation of the Tariff Schedule, the Commission usually incorporates them into the online version of the HTSA within one or two working days. Immediate access to the up-to-date HTSA online has proven to be very useful to Commission personnel, as well as to both Customs and the trade community. This utility is enhanced by the fact that the product is viewable and searchable and is available for downloading by individual HTSA chapter. During the year the Commission also publishes one or more hardcopy supplements to the HTSA to reflect any amendments arising during the calendar year. The Commission generally publishes a hard-copy, mid-year supplement to the HTS effective on July 1 of each year, primarily to reflect the annual Generalized System of Preferences review. The Commission spent 5.9 workyears on the HTS and nomenclature activities in FY 2007. (See Workyears by Activity and Office, p. 73.)

Legislative Reports

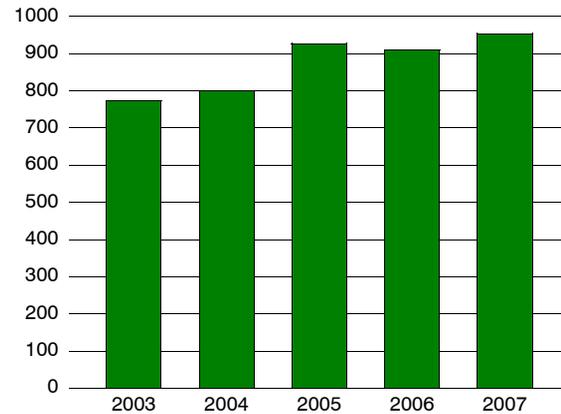
The House Committee on Ways and Means and the Senate Committee on Finance regularly ask the Commission for comments on legislation, primarily reports on miscellaneous tariff bills (MTBs). These reports provide tariff nomenclature and technical drafting assistance and include revenue loss estimates for the Congressional Budget Office. Commission personnel routinely prepare such draft reports and information on MTBs in anticipation of Congressional consideration. The Commission spent 1.1 workyears providing advice on 163 MTBs during FY 2007. (See Workyears by Activity and Office, p. 73.) The extent of resources devoted to this activity in FY 2009 will depend largely on the number of new MTBs introduced during the 111th Congress, which begins in January 2009.

Interactive Tariff and Trade DataWeb

The DataWeb gives government officials, the international trade community, and the general public direct access to U.S. tariff and trade data. Available via the Internet (<http://dataweb.usitc.gov>), the DataWeb is interactive and able to respond rapidly to user-defined queries. The system allows both expert and non-expert users to make and save their own customized country and product data for future use. The system guides users through the numerous options available in working with tariff and trade data, allowing them to construct complex statistical queries against hundreds of tables. DataWeb adds business value by integrating up-to-date international trade transactions with complex tariff and customs treatment. It also provides information to users regarding the relationship between the HTS and other classification systems such as Standard Industrial Classification, Standard International Trade Classification, or North American Industrial Classification System.

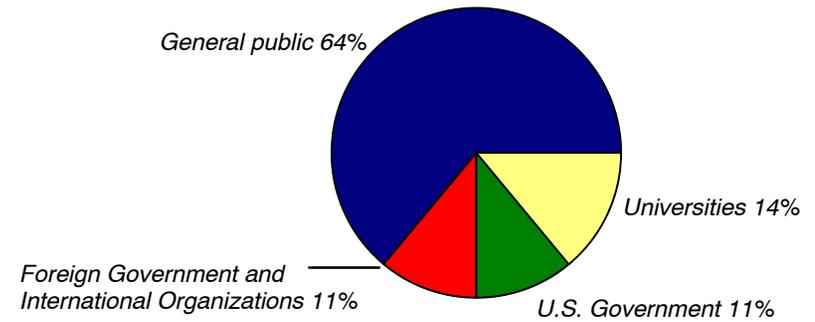
System use has grown substantially from its inception in April 1999, tripling from 319,000 data reports in FY 2000 to more than 955,000 data reports in FY 2007 (see Figure 1 below). The system now has nearly 119,000 registered users and has delivered almost 6.3 million data reports electronically. Although use by the general public has shown the most growth, U.S. Government personnel use the system extensively and account for 11 percent of the reports generated (see Figure 2 below). The continuation of this public service will ensure that governments, foreign government and international organizations, and the general public will have free access to U.S. trade data.

Figure 1
DataWeb Performance FY 2003-2007



Source: Office of Operations

Figure 2
DataWeb Reports Generated
FY 2003-2007



During FY 2006 the Commission completed a hardware and software upgrade in order to ensure rapid and accurate information retrievals for the growing number of government and public users. The Commission estimates the operational and maintenance costs for DataWeb and related trade data systems at \$520,000 and 2.5 workyears in both FY 2008 and 2009. Internal support and maintenance efforts for DataWeb are supplemented by contractors as part of the Commission’s FAIR Act efforts.

International Trade Data System

Commission personnel participate in a multi-agency initiative to develop a government-wide system for the electronic collection, use, and dissemination of international trade and transportation data. ITDS will provide the means for harmonizing and consolidating all import and export data required for port clearance into a single data system. It will also provide data needed to support analyses of trade policy development and trade promotion by government agencies. In addition, as detailed in the SAFE Port Act of 2006, ITDS will provide the trading public with a “single window” for reporting foreign trade transactions to the U.S. Government. The system is being developed in conjunction with the development of the new Automated Commercial

Environment (ACE) at Customs. The Commission also provides the HTSA in specialized formats for the HTS Reference Portal on ACE for direct use by the trade and government officials at the ports. The Commission is testing new software products to streamline the production of the HTS and enhance the Internet display. The Commission is also informally exploring a possible transfer of the HTS Reference Portal to the Commission from Customs where the raw data constituting the portal are now maintained and updated. Such transfer, if it is determined to be cost effective, could occur as soon as FY 2010. If it occurs, there likely would be budgetary implications that would be reflected in the Commission's FY 2010 Budget Justification.

Resource Requirements for Tariff and Trade Information Services

In the aggregate, Operation 4 utilized 5.2 percent of the Commission's resources in FY 2007 (see Dollar Cost: Comparison by Operation, p. 69), amounting to \$3.2 million (see Budget Summary by Operation, p. 71). In terms of direct costs, Operation 4 accounted for \$1.6 million in FY 2007 with 12 workyears charged to it. (See Operation 4: Tariff and Trade Information Services Resource Requirements, p. 48.) Providing timely and accurate trade information services to Commission customers requires coordination and effort across Commission organization lines. Expertise is provided by nomenclature analysts and attorneys in the Office of Tariff Affairs and Trade Agreements; analysts in the Office of Industries; and various staff from the OCIO, GC, External Relations, and Operations. The Office of Tariff Affairs and Trade Agreements and the Office of Industries accounted for about 73 percent of the direct workyears charged to this operation in FY 2007 with 6.8 and 2.2 direct workyears, respectively. (See Direct Labor Cost: Workyears and Dollars, p. 76.) In its FY 2008 and 2009 Performance Plans (see attached), the Commission has set goals designed to improve its performance in the provision of tariff and trade information services.

Operation 4: Tariff and Trade Information Services Resource Requirements, Fiscal Years 2007, 2008, 2009

(Dollar Amounts in Thousands)

Category of Obligation	FY 2007 Actual		FY 2008 Estimate		FY 2009 Estimate		FY 2008-09 Change	
	Workyears	Dollars	Workyears	Dollars	Workyears	Dollars	Workyears	Dollars
A. Direct Costs¹								
Personnel Compensation	12	\$1,093	12	\$1,184	12	\$1,308	0	\$124
Benefits		269		330		356		26
Rent		219		273		339		66
Travel and Transportation		9		10		12		2
Subtotal	12	\$1,590	12	\$1,797	12	\$2,015	0	\$218
B. Indirect Costs²								
Personnel Compensation	8	\$817	7	\$839	7	\$871	0	\$32
Benefits		201		229		243		14
Rent		98		136		138		2
Travel and Transportation		13		15		18		3
Training		14		24		30		6
Equipment/Other Rentals and Communications		36		66		83		17
Printing, Reproduction, Postage		20		20		19		-1
Land and Structures		8		11		11		0
Services		418		403		442		39
Supplies		42		42		53		11
Subtotal	8	\$1,666	7	\$1,785	7	\$1,908	0	\$123
TOTAL RESOURCE REQUIREMENTS	20	\$3,256	19	\$3,582	19	\$3,923	0	\$341

¹ Direct Costs include personnel costs directly attributed to the five operations including the Commissioners and Information Technology Services, as well as rent and travel charged directly to the five operations in the Commission's Strategic Plan.

² Indirect Costs include personnel costs such as EEO and general administration support services. Indirect costs also include virtually all non-personnel costs, such as contractual services, supplies, and equipment, as well as rent, travel and training, labor, union, and OSHA. Most indirect costs are allocated to operations according to the percentage of total costs directly charged to each operation.

Source: Actual Costs derived from the Labor Cost Reporting System and Accounting System. Estimates provided by the Cost Center Managers and Office Directors.

Operation 5: Trade Policy Support

Trade Policy Support by the Commission provides trade policymakers with technical expertise, accurate information, and objective analysis on international trade and competitiveness issues. The Commission's capability to provide prompt trade policy support to both the legislative and executive branches complements and draws on work in other Operations, most notably Operation 3. Such support includes information and analysis on current issues related to trade and competitiveness, technical advice on draft legislation, informal briefings and meetings, and assistance to trade delegations and negotiating teams. To implement legislation on trade policy decisions, the Commission also drafts Presidential proclamations, memoranda, and executive orders, as well as final decisions by various agencies that modify the HTS.

The Commission has engaged in efforts to improve its service to, and support for, trade policymakers. As a result, the number of requests for technical assistance has grown. In FY 2007 the Commission provided expertise on 119 different subjects. The Commission is providing increasingly complex analysis under this operation and is providing more targeted responses to better support the policymaking process. Commission assistance has recently focused on providing industry and product specific information, and support for bilateral and multilateral FTA negotiations and activities.

The Commission anticipates that its trade policy support in FY 2008 and 2009 will continue to provide country, regional, industry, and product specific information in a variety of contexts. Shifts in the policymaking environment, such as increasing interest in bilateral investment treaties and nontariff trade measures, and changes to the trade policy landscape, such as the potential conclusion of the Doha Round negotiations and Trade Promotion Authority renewal or modification, suggest that the Commission may also be responding to new areas of interest. Requests are also expected regarding the trade policies of China, India, and new WTO applicants. The Commission continues to try to anticipate policymakers' needs and develop expertise to meet anticipated requests for assistance.

The Commission also provides trade policy support by detailing personnel with relevant expertise to USTR and the Commission's authorizing committees. Budgetary constraints may prompt the Commission to re-examine the practice of detailing four or five full-time personnel on non-reimbursable details.

Resource Requirements for Trade Policy Support

In the aggregate, Operation 5 utilized 6.3 percent of the Commission's resources in FY 2007 (see Dollar Cost: Comparison by Operation, p. 69), amounting to \$3.9 million (see Budget Summary by Operation, p. 71). In terms of direct costs, Operation 5 accounted for \$2.2 million and 14 workyears in FY 2007. (See Operation 5: Trade Policy Support Resource Requirements, p. 51.) The Office of Industries and the Office of Tariff Affairs and Trade Agreements accounted for most of the direct workyears charged to this operation in FY 2007 with 3.3 and 2.6 direct workyears, respectively. The Office of External Relations and the Office of Economics contributed 1.6 and 1.5 workyears to Operation 5, respectively. The Office of Investigations historically has not contributed significantly to this Operation. The decline in Import Injury workload during FY 2006 and early FY 2007, however, allowed that office to detail personnel to USTR (2.3 workyears). (See Direct Labor Cost: Workyears and Dollars, p. 76.)

As reflected in its Fiscal Year 2008 and 2009 Performance Plans (see attached), the Commission will attempt to enhance its performance in the provision of trade policy support. To accomplish this, the Commission sets goals that relate to the following: (1) expanding the level and scope of support; (2) examining methods of delivery; and (3) developing innovative methods to improve the quality, scope, efficiency and timeliness of support.

Operation 5: Trade Policy Support Resource Requirements, Fiscal Years 2007, 2008, 2009

(Dollar Amounts in Thousands)

Category of Obligation	FY 2007 Actual		FY 2008 Estimate		FY 2009 Estimate		FY 2008-09 Change	
	Workyears	Dollars	Workyears	Dollars	Workyears	Dollars	Workyears	Dollars
A. Direct Costs¹								
Personnel Compensation	14	\$1,576	14	\$1,740	14	\$1,812	0	\$72
Benefits		387		474		496		22
Rent		261		362		368		6
Travel and Transportation		10		9		11		2
Subtotal	14	\$2,234	14	\$2,585	14	\$2,687	0	\$102
B. Indirect Costs²								
Personnel Compensation	10	\$798	9	\$924	8	\$966	-1	\$42
Benefits		196		219		234		15
Rent		117		149		178		29
Travel and Transportation		15		13		18		5
Training		14		23		31		8
Equipment/Other Rentals and Communications		40		71		103		32
Printing, Reproduction, Postage		23		22		23		1
Land and Structures		9		11		13		2
Services		478		426		541		115
Supplies		50		46		67		21
Subtotal	10	\$1,741	9	\$1,904	8	\$2,174	-1	\$270
TOTAL RESOURCE REQUIREMENTS	24	\$3,975	23	\$4,489	22	\$4,861	-1	\$372

¹ Direct Costs include personnel costs directly attributed to the five operations including the Commissioners and Information Technology Services, as well as rent and travel charged directly to the five operations in the Commission's Strategic Plan.

² Indirect Costs include personnel costs such as EEO and general administration support services. Indirect costs also include virtually all non-personnel costs, such as contractual services, supplies, and equipment, as well as rent, travel and training, labor, union, and OSHA. Most indirect costs are allocated to operations according to the percentage of total costs directly charged to each operation.

Source: Actual Costs derived from the Labor Cost Reporting System and Accounting System. Estimates provided by the Cost Center Managers and Office Directors.

Information Technology (IT) Activities

The Commission is an information intensive enterprise. Its core competency is the collection, analysis, dissemination and stewardship of data, information, knowledge, and processes that can be used in investigations, trade analysis, and other operations. IT applications and systems help the Commission continue to improve program performance in a cost-efficient manner and meet agency and customer needs in both the short- and long-term. The Commission plans investments in IT systems that will achieve goals defined in the Information Resource Management Strategic Plan. The Commission has four IT strategic goals: (1) improve data and information collection; (2) simplify access to information, products, and services; (3) protect and secure information assets; and (4) provide the workforce with IT skills and solutions. While potential cost savings are most desired and welcomed, improved delivery of quality service is the driving force behind the Commission's IT modernization program.

Progress in implementing the IT modernization program has been hampered by budget shortfalls in recent years, but significant progress has been made nonetheless. The IT security program has strengthened the Commission's security infrastructure, especially regarding processing classified information and safeguarding personally identifiable information. The Commission has prepared the way for the replacement of its financial system, which will be operational by the end of FY 2008. The Commission has also continued to develop its Enterprise Portal, which coordinates the development, delivery, search, and control of all of its web-based content. An expansion of the CMS was successfully completed and allowed for enterprise archiving and data retrieval for several Commission offices. Further improvements to EDIS, which is the premier application of the Enterprise Portal, were implemented and provided for the electronic submission of import injury questionnaires by respondents and the electronic notification of document submissions via a RSS feed to internal users.

During FY 2008 the Commission will continue to pursue the government-wide vision for improved electronic services to citizens, businesses, and other stakeholders. The Commission strives to manage change, deliver cost-effective IT solutions, focus on incrementally and continuously improving its technology infrastructure, and ensure that Commission personnel are trained and equipped with the IT tools needed to accomplish its mission. Continued progress, especially with regards to the Continuity of Operations Plan, requires full funding of the Commission's budget request.

Major Ongoing Information Technology Initiatives

Information Security and Infrastructure Management

The Commission must develop, document, and implement an agencywide program to provide security for the information systems that support its operations and assets, as required by the E-Government Act of 2002 (P.L. 107-347). Maintaining the confidentiality and integrity of the Commission's information resources, including its business proprietary information and national security information (NSI), is a top priority. The Commission has addressed this requirement by establishing a comprehensive information security program, which considers information security at the same level of importance and criticality as the functional agency requirements. The Commission has dedicated three information technology specialists to security program planning, monitoring, evaluating, and reporting. Commission IT personnel have revised the Commission directive on security, drafted a comprehensive Security Handbook, and assumed responsibility for enforcing security requirements. Continued compliance with the FISMA and Executive Order 12958 governing the protection of NSI starts with the effective development, implementation, and maintenance of the Commission's information security and infrastructure program.

During FY 2007 the Commission made significant progress in strengthening its IT security program. Specific accomplishments include:

- creating an incident response policy in case of loss of personally identifiable information;
- building a NSI network; and
- establishing a Public Key Infrastructure connection with the Government Printing Office for the secure filing of Federal Register notices electronically.

In addition to the above accomplishments, during FY 2007 the OCIO made significant progress by certifying 100 percent of the Commission's systems and accrediting all but one of its major applications. The Commission is poised to make even more progress in the upcoming fiscal year, with the Commission's recent commitment to reorganize the OCIO's current organizational structure to include establishing a division to centrally manage and prioritize information security functions throughout four broad categories (i.e., NSI, FISMA, Privacy, and Records Management), coupled with an increased commitment of resources.

OCIO goals for FY 2008 and 2009 include:

- finalizing the draft Commission-wide continuity of operations (COOP) plan and making significant progress in developing test scenarios and preparing the alternate work site;
- strengthening the Commission's overall information security posture through the effective use of monitoring and logging tools;
- further developing the security awareness and training program to ensure that educational initiatives are commensurate with individual roles and responsibilities; and
- reviewing, updating and enhancing the process for Plan of Action and Milestones review and reporting for each of the Commission's major applications.

Financial System Replacement

The Commission's current financial management system consists of three major and independent components. The Department of the Interior's NBC supports the Federal Financial System (FFS) and the Federal Payroll and Personnel System (FPPS). The Purchase Request Information System (PRISM) was acquired and is maintained separately from FFS and FPPS.

NBC is phasing out support of FFS by 2010 and is offering two new systems as options to client agencies. Replacing FFS provides an opportunity to obtain a fully integrated financial management system, one that encompasses the initial steps of any transaction through final payment. A fully integrated system will include a procurement system, eliminate the paper transfer of information, provide direct electronic data entry of vendor transactions, and provide financial personnel and cost center managers with real-time access to the status of funds and payments.

The cost of replacing FFS and PRISM will be at least \$900,000. During FY 2007 the Commission obligated \$500,000 towards implementation of the new system, which is scheduled to be fully functional at the end of FY 2008.

Electronic Document Information System

EDIS allows for the electronic filing of case documents, serves as the central repository for the Commission docket for all Commission investigations, and provides for electronic searches of case files. The system's search and retrieval capabilities allow Commission personnel and the public to retrieve necessary information faster and more easily than would be the case with manual searching of paper files. EDIS supports all investigative activity, particularly Import Injury Investigations and Intellectual Property-Based Import Investigations.

To date the EDIS project has fulfilled the Commission's initial goals of providing an electronic option for information exchange between the Commission and the public, and improving the usability and accessibility of the Commission docket by attorneys and other researchers. Over the past three fiscal years, the Commission has experienced mixed success in providing E-availability and real-time access to information and updates via the Internet for both internal and external users. The electronic filing of documents via the Internet has seen slow but steady acceptance by the public. Some continuing problems have been identified with real-time document availability, but it has become a widely used tool. Some significant improvements that were implemented in FY 2007 include the capability to distribute Administrative Protective Order release documents via CD/DVD and allowing for post-trial exhibits to be submitted via CD/DVD in selected section 337 investigations.

In FY 2007 the Commission approved the implementation of a case management system in the Docket Services Division. The new system establishes the position of case managers and requires them to be familiar with all documents filed in their assigned cases and to be responsible for all document processing issues related to those cases. Case managers will work directly with the ALJs and will interact with the public, external parties, and other Commission personnel on matters relating to their assigned cases.

During FY 2008 the Commission will focus on re-engineering the EDIS system to support the adoption of a case management approach for improving document management services. The re-engineering will also be focused on reducing the overall complexity of the system to improve efficiency in managing documents and metadata in the system. Several significant improvements will also be implemented in the system, including providing RSS feed capability to external users upon document availability. EDIS continues to be the most mission critical component of the overall Enterprise Portal project, discussed below.

The Enterprise Portal

The Commission has set an ambitious agenda of re-engineering all internal and external websites, including its home page, EDIS, and the DataWeb, into an enterprise portal. An enterprise portal is a single web location or address where customers can access the web-based services and information most important to them. The revised website includes improvements in search capability, navigation, and content organization. The primary business objective of this initiative is to increase the availability of, and broaden access to, the information and services that the Commission makes available online to the general public and to Commission employees. A second objective of the portal is to allow customers to find the information they seek from the Commission faster and more efficiently.

The initial phase of the Enterprise Portal initiative began in FY 2005 by overhauling the Commission's website, which included implementation of a search engine and the reorganization of the navigational structure to increase its usability. The portal has been built utilizing a commercial off-the-shelf CMS containing a suite of tools which allow personnel to manage, maintain, update, and change the content of a website. This allows users to search for and access content, information, and services offered online by the Commission.

During FY 2006 the Commission moved forward with the next phase of the portal initiative by integrating several components of the EDIS functionality with the CMS, including delivery of Commission documents by electronic means and improved public search capabilities. In FY 2007 the Commission developed a new CMS-based application that allowed personnel from the Office of Investigations to post and manage numerous documents on their public web page and another CMS-based application that allowed GC to manage and search their internal documents. The Commission enhanced management and accessibility of Commission work products. The objective of these efforts was a more secure and flexible system that improves the experience of both internal and external users, while also working toward the goal of reducing the complexity of the Commission's IT architecture. The Commission's goal is to integrate platforms and applications that currently require a wide variety of hardware, software, and skill sets.

In FY 2008 and 2009, in conjunction with the portal integration, the Commission will (1) improve its internal and external websites, including the search functions associated with the website, (2) make EDIS a more integral part of the Enterprise Portal through a redesign of its entire web interface, and (3) implement a CMS-based document search and management system for Office of Unfair Import Investigations. The Commission has five full-time equivalents assigned to the web team and provides about \$1 million annually in contract services and equipment to this effort.

Continuity of Operations Planning

Presidential Decision Directive 67 requires all Federal agencies to establish and maintain a viable COOP capability that will ensure the continuation of essential business functions during an emergency or a situation that may disrupt normal operations. The Commission has had plans in place for IT contingencies and for immediate emergencies that require evacuation or shelter-in-place. During FY 2006 the Commission developed a draft COOP Plan which complements the other contingency plans by focusing on longer term emergencies when the Commission is unable to operate because its facility is unavailable to its employees and no near-term resumption of its operations seems feasible. The draft COOP Plan also provides guidance and information necessary to perform essential Commission functions. In early FY 2007 the Commission identified and acquired an alternate operating facility that will be used to support a relocation of essential functions and personnel in the face of a natural disaster or other catastrophic event.

During FY 2008 the Commission will finalize its draft COOP Plan and will engage in both table-top and physical testing of the plan. In FY 2008 the Commission hopes to commit sufficient funding to allow for logistical and resource planning for its alternate operating facility to ensure that the facility has sufficient space, infrastructure requirements, and equipment to perform essential functions under various threat scenarios for a sustained period of time. Progress has been delayed for several years due to lack of funding. During FY 2009 funding levels for COOP planning are expected to increase considerably, as the Commission plans extensive work in the build-out of the IT infrastructure for the alternate operating facility. Continued progress in this area is contingent on full funding of the Commission's appropriation request.

Indirect Costs

Indirect costs consist of costs that are not directly attributed to the five operations in the Strategic Plan. Most indirect costs are allocated to the five operations by one of two formulas. For offices that charge time directly to one or more operations, administrative costs are allocated based on the proportion of direct labor charged to each operation by that office. These costs are referred to as operating administrative costs. For offices that do not charge time to any operation, administrative costs are allocated based on the agencywide average allocation. These costs are referred to as general administrative costs.

General administrative costs include the costs of the Office of Administration, and the subordinate offices of Finance, Facilities Management, and Human Resources. They also include the costs of administrative legal advice provided by the GC and the costs of administrative litigation. General administrative costs are less than seven percent of total labor costs.

The Office of Administration compiles the Commission's annual budget, prepares the appropriation and authorization requests, and closely monitors budget execution. The Commission's strategic budgeting approach encompasses all phases of the budget development process, including justifying requests for personnel, services, and information technology through linkage to strategic goals. The format of the Budget Justification continues to parallel the Strategic Plan and addresses the annual Performance Plan. The Office of the Director of Administration has requested five full-time permanent positions in the Commission's FY 2008 and 2009 Staffing Plan. (See Commission Staffing Plan, p. 75.)

The Office of Finance provides professional financial services that ensure proper stewardship of the Commission's resources in carrying out its statutory responsibilities. These services include the operation of the accounting system (including payroll, obligations, disbursements, reporting, and travel). The Office of Finance has supporting liaison responsibilities with the Department of Treasury and other Federal agencies on financial matters. The Office of Finance prepared a complete set of financial statements for FY 2006 audited by an independent certified public accounting firm, as required by the Accountability of Tax Dollars Act of 2002. The statements received an unqualified opinion. No material weaknesses were identified in the Commission's stewardship of public resources. The Office of Finance has requested five full-time permanent positions in the Commission's FY 2008 and 2009 Staffing Plan. (See Commission Staffing Plan, p. 75.)

The Office of Facilities Management manages the Commission's physical plant, including building security, mail, maintenance, and cleaning services; provides general office equipment and supplies for the Commission; and handles all Commission procurement matters. The Office of Facilities Management plans for FY 2008 and 2009 include interior renovations to accommodate expanded technology requirements, new organizational structures, improved physical security, and the continued replacement of building infrastructure and equipment. The Office of Facilities Management has requested 11 full-time permanent positions in the Commission's FY 2008 and 2009 Staffing Plan. (See Commission Staffing Plan, p. 75.)

The Office of Human Resources facilitates the Commission's recruitment, training, and human capital management efforts to align human resource practices more closely with the agency's strategic mission. Through a contractual agreement with OPM, the Office of Human Resources has obtained technical expertise in strategic workforce planning, training and development, and organizational development. In FY 2008 and 2009 the Commission will continue implementing the programs, processes, and strategies necessary to accomplish the goals and objectives outlined in the Strategic Human Capital Management Plan. The Office of Human Resources has requested seven full-time permanent positions and one part-time temporary position in the Commission's FY 2008 and 2009 Staffing Plan. (See Commission Staffing Plan, p. 75.)

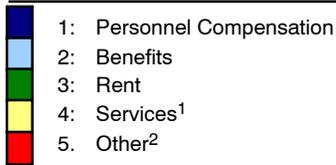
The Office of Equal Employment Opportunity manages the Commission's affirmative action program and agencywide employee development initiatives and advises the Chairman and managers on all equal employment opportunity and related issues. In addition to managing the complaints and investigation process, during FY 2008 new software will be tested to fulfill the reporting requirements of the Equal Employment Opportunity Commission's Management Directive 715 and the No Fear Act. The Office of Equal Employment Opportunity will coordinate with the Office of Human Resources and the Office of the General Counsel to ensure accurate data in the reports. The Office of Equal Employment Opportunity continues to ensure that Commission programs fulfill the letter and intent of laws and regulations that affect hiring and retention of Federal employees. The Office of Equal Employment Opportunity has requested two full-time permanent positions and one part-time temporary position in the Commission's FY 2008 and 2009 Staffing Plan. (See Commission Staffing Plan, p. 75.)

The Office of the Inspector General provides audit, inspection, and investigative support services covering all Commission programs and operations. The objectives are to prevent and detect waste, fraud, and abuse, and to improve the economy and efficiency of Commission programs and operations. Activities are planned and conducted in response to requirements of law and regulations, requests from Congress and management officials, and allegations received from employees and other sources. The current level of resources is necessary to continue ongoing activities and to maintain a minimum level of audit, inspection, and investigative services. The operations and accomplishments of OIG are described in semiannual reports submitted to Congress in November and May of each year. The OIG has requested four permanent positions in the Commission's FY 2008 and 2009 Staffing Plan. (See Commission Staffing Plan, p. 75.)

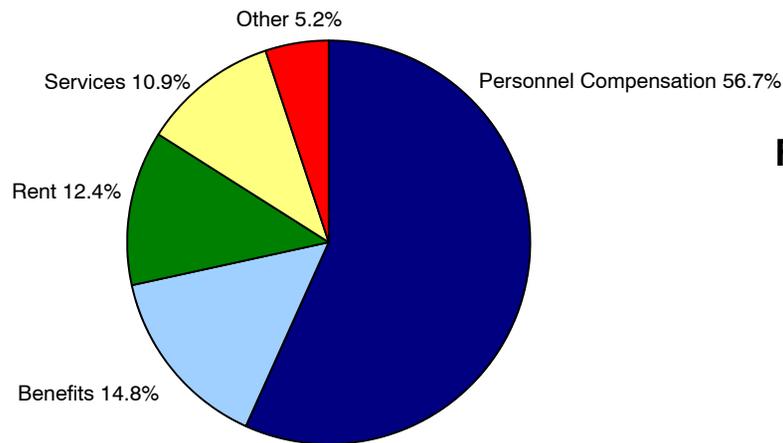
Dollar Cost: Comparison by Object Classification, Fiscal Years 2007, 2008, 2009

(Dollar Amounts in Thousands)

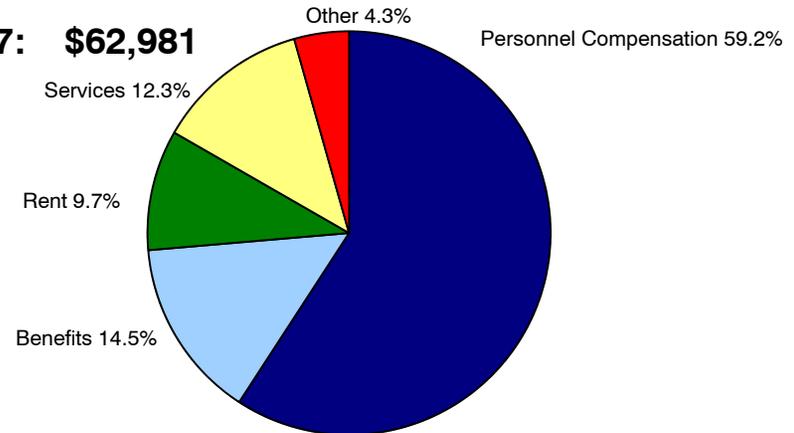
Operations



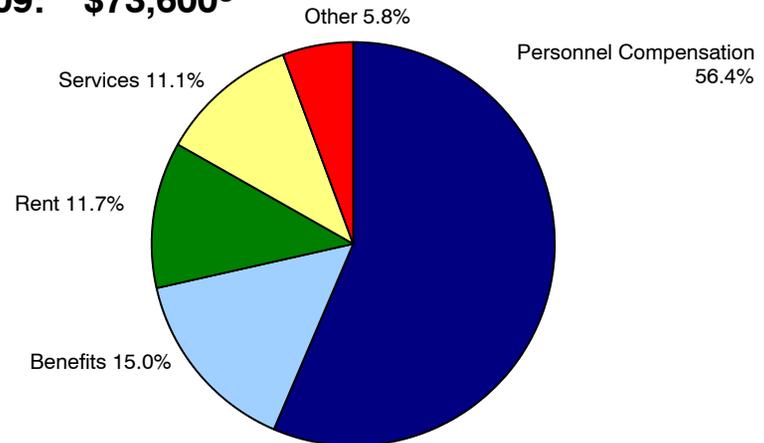
FY 2008: \$68,400³



FY 2007: \$62,981



FY 2009: \$73,600³



¹ Services include IRM service contracts and helpdesk support; building maintenance and security; mailroom and general laborers; and consulting services for financial management, human capital and strategic planning, IT security, and procurement.

² Other includes travel, training, communications, transportation, postage, equipment rental, land and structures, printing and reproduction supplies, and equipment.

³ Estimate

Source: Actual Costs derived from the Labor Cost Reporting System and Accounting System. Estimates provided by the Cost Center Managers and Office Directors.

Budget Formulation by Object Classification, Fiscal Years 2007, 2008, 2009

(Dollar Amounts in Thousands)

Item	FY 2007 Actual Obligations	FY 2008 Expenditure Plan	FY 2009 Budget Request
Personnel Compensation:			
Permanent	\$35,399.0	\$37,200.0	\$39,600.0
Temporary	350.3	500.0	500.0
Term Appointments	435.1	750.0	600.0
Overtime	64.0	70.0	80.0
Awards	1,038.3	250.0	700.0
Benefits	9,157.3	10,130.0	11,050.0
Total Personnel Compensation	\$46,444.0	\$48,900.0	\$52,530.0
Non-Personnel:			
Rent	\$6,120.1	\$8,481.0	\$8,640
Subtotal	\$6,120.1	\$8,481.0	\$8,640.0
Services:			
Chief Information Officer	\$5,405.3	\$5,000.0	\$5,500.00
Facilities Management	1,436.1	1,400.0	1,500.0
Administration	645.2	800.0	900.0
Equal Employment Officer	13.0	25.0	25.0
Inspector General	225.5	250.0	250.0
Subtotal	\$7,725.1	\$7,475.0	\$8,175.0
Supplies:			
Chief Information Officer	\$184.4	\$170.0	\$215.0
Facilities Management	99.0	100.0	130.0
Main Library	343.9	320.0	400.0
Law Library	178.8	200.0	270.0
Subtotal	\$806.1	\$790.0	\$1,015.0
Equipment:			
Chief Information Officer	\$232.0	\$625.0	\$775.0
Facilities Management	42.0	150.0	250.0
Main Library	94.0	40.0	50.0
Law Library	-	-	10.0
Subtotal	\$368.0	\$815.0	\$1,085.0
Other:			
Travel	\$441.3	\$500.0	\$600.0
Training	235.0	400.0	500.0
Communications	247.1	243.0	260.0
Transportation	0.2	15.0	20.0
Postage/Contractual Mail	116.3	116.0	130.0
Equipment/Other Rentals	65.9	200.0	220.0
Land and Structures	150.0	200.0	200.0
Printing and Reproduction	262.0	265.0	225.0
Subtotal	\$1,517.8	\$1,939.0	\$2,155.0
Total Non-personnel	\$16,537.1	\$19,500.0	\$21,070.0
TOTAL BUDGET	\$62,981.1	\$68,400.0	\$73,600.0

Budget Requirements, Fiscal Years 2007, 2008, 2009

(Dollar Amounts in Thousands)

Category of Obligation	FY 2007 Actual		FY 2008 Estimate		FY 2009 Estimate		FY 2008-09 Changes	
	Workyears	Dollars	Workyears	Dollars	Workyears	Dollars	Workyears	Dollars
A. Direct Costs ¹								
Personnel	246	\$31,648	260	\$32,896	267	\$35,738	7	\$2,842
Non-Personnel		4,398		6,055		6,178		123
Subtotal	246	\$36,046	260	\$38,951	267	\$41,916	7	\$2,965
B. Indirect Costs ²								
Personnel	132	\$14,795	135	\$16,004	135	\$16,792	0	\$788
Non-Personnel		12,140		13,445		14,892		1,447
Subtotal	132	\$26,935	135	\$29,449	135	\$31,684	0	\$2,235
TOTAL BUDGET REQUIREMENTS	378	\$62,981	395	\$68,400	402	\$73,600	7	\$5,200

¹ Direct Costs include personnel costs directly attributed to the five operations including the Commissioners and Information Technology Services, as well as rent and travel charged directly to the five operations in the Commission's Strategic Plan.

² Indirect Costs include personnel costs such as EEO and general administration support services. Indirect costs also include virtually all non-personnel costs, such as contractual services, supplies, and equipment, as well as rent, travel and training, labor, union, and OSHA. Most indirect costs are allocated to operations according to the percentage of total costs directly charged to each operation.

Source: Actual Costs derived from the Labor Cost Reporting System and Accounting System. Estimates provided by the Cost Center Managers and Office Directors.

Analysis of Change: Obligations, Fiscal Year 2007; Expenditure Plans, Fiscal Years 2008 and 2009

(Dollar Amounts in Thousands)¹

Object Classification	FY 2007 Actual Obligations	FY 2008 Expenditure Plan	FY 2009 Budget Request	FY 2008-2009 Change	Percentage Change
PERSONNEL COST CHANGES:					
Personnel Compensation					
Permanent	\$35,399	\$37,200	\$39,600	\$2,400	6.5%
Temporary	350	500	500	-	0.0%
Term Appointments	435	750	600	(150)	-20.0%
Overtime	64	70	80	10	14.3%
Awards	1,038	250	700	450	180.0%
Net Personnel Compensation	\$37,287	\$38,770	\$41,480	\$2,710	7.0%
Personnel Benefits	9,157	10,130	11,050	920	9.1%
NET PERSONNEL COSTS	\$46,444	\$48,900	\$52,530	\$3,630	7.4%
NON-PERSONNEL COST CHANGES:					
Rent	\$6,120	\$8,481	\$8,640	\$159	1.9%
Net Rent Costs	\$6,120	\$8,481	\$8,640	\$159	0.0%
Services					
Chief Information Officer	\$5,405	\$5,000	\$5,500	\$500	10.0%
Facilities Management	1,436	1,400	1,500	100	7.1%
Administration	645	800	900	100	0.0%
Equal Employment Officer	13	25	25	-	0.0%
Inspector General	226	250	250	-	0.0%
Net Service Costs	\$7,725	\$7,475	\$8,175	\$700	0.0%
Net Supplies Costs	\$806	\$790	\$1,015	\$225	28.5%
Net Equipment Costs	\$368	\$815	\$1,085	\$270	33.1%
Other					
Travel	\$441	\$500	\$600	\$100	20.0%
Training	235	400	500	100	25.0%
Communications	247	243	260	17	7.0%
Transportation	0	15	20	5	33.3%
Postage	116	116	130	14	12.1%
Equipment/ Other Rental	66	200	220	20	10.0%
Land and Structures	150	200	200	-	0.0%
Printing and Reproduction	262	265	225	(40)	-15.1%
Net Other Costs	\$1,518	\$1,939	\$2,155	\$216	11.1%
NET NON-PERSONNEL COSTS	\$16,537	\$19,500	\$21,070	\$1,570	8.1%
TOTAL OBLIGATIONS	\$62,981	\$68,400	\$73,600	\$5,200	7.6%

¹ Totals may not add due to rounding.

Source: Accounting System

Summary of Increases/Decreases Presented in Analysis of Change (Fiscal Years 2008 and 2009)

Personnel Cost Change

(Dollar Amounts in Thousands)

Permanent Employees +2,400

Salaries will increase by 6.5 percent because of the Federal pay raise in January 2008, filling of vacant positions, and the normal cost of promotions and within-grade increases.

Term Appointments -150

Term appointments will diminish over time and will for the most part only provide for helpdesk staffing in FY 2009.

Overtime +10

Marginal increase in overtime.

Awards +450

Awards are expected to increase significantly following reductions in FY 2008, but will remain below FY 2007 levels.

Benefits +920

Since retirement benefits are incurred as a percentage of salary, as salary costs increase, retirement benefits costs increase. In addition, benefits costs increase at a higher rate than compensation due to rising health insurance costs and the shifting demographics of the workforce. This shift results in an increased percentage of Commission employees covered by the Federal Employees Retirement System. Those benefits are almost triple the cost of Civil Service Retirement System benefits to the Commission.

Net Personnel Cost Changes +3,630

Non-Personnel Cost Changes

(Dollar Amounts in Thousands)

Rent +159

In FY 2008 rent increased by 38 percent under a new ten-year lease with the GSA in August 2007. The FY 2009 increase pales in comparison. Most of the FY 2008 increase was not covered in the Commission's FY 2008 appropriations request. As a result other cost centers had to be reduced, and expenses in those cost centers were postponed until FY 2009.

Services +700

Increase follows several years of reduced costs and deferred projects such as records management and security initiatives. Notwithstanding this increase, FY 2008 service costs will be 12 percent below FY 2006 levels.

Supplies +225

Increase in FY 2008 follow several years of reduced funding.

Equipment +270

Increase follows several years of reduced costs and deferred projects such as server replacement. Notwithstanding this increase, FY 2008 equipment costs will be below FY 2006 levels.

Travel +100

Increase in FY 2008 follow several years of reduced funding.

Training +100

Increase in FY 2008 follow several years of reduced funding.

Communications +17

Communications will increase by seven percent due to increased rates and increased use of Blackberry devices.

Transportation +5

Transportation will increase marginally.

Postage +14

Marginal increase in postage charges.

Equipment/Other Rental +20

Marginal increase in equipment rental.

Printing and Reproduction -40

Printing and Reproduction decreases anticipated due to increased use of electronic publishing for
Federal Register notices.

Net Non-Personnel Cost Changes +1,570

Total Adjustment to Base +5,200

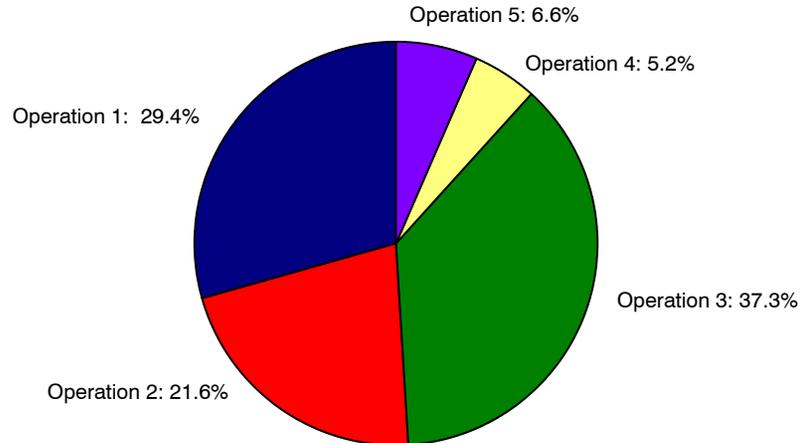
Dollar Cost: Comparison by Operation, Fiscal Years 2007, 2008, 2009

(Dollar Amounts in Thousands)

Operations

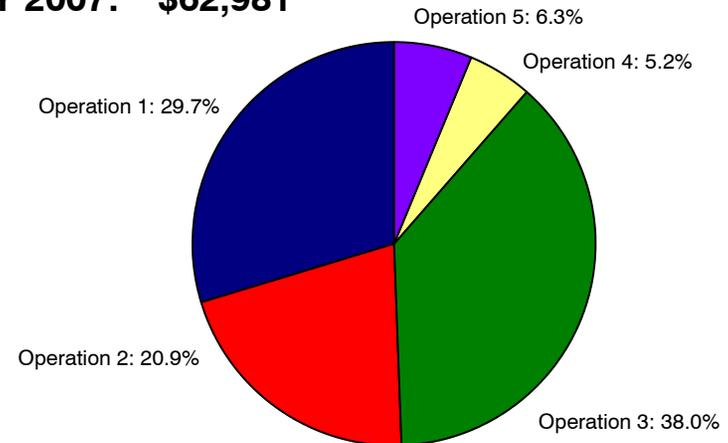
- Operation 1: Import Injury Investigations
- Operation 2: Intellectual Property-Based Import Investigations
- Operation 3: Industry and Economic Analysis
- Operation 4: Tariff and Trade Information Services
- Operation 5: Trade Policy Support

FY 2008: \$68,400¹

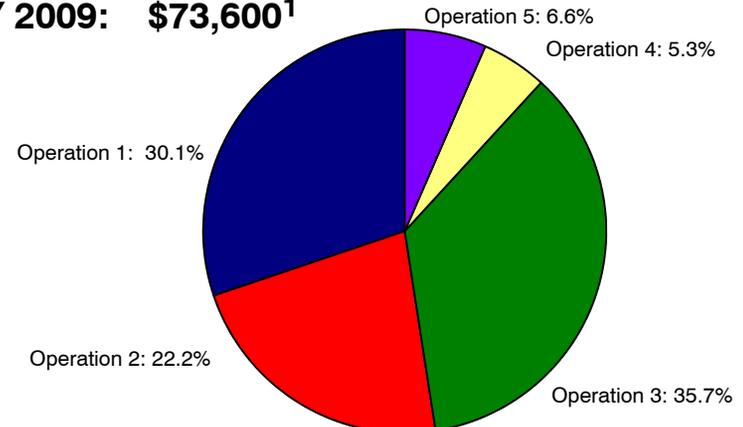


¹ Estimate

FY 2007: \$62,981



FY 2009: \$73,600¹



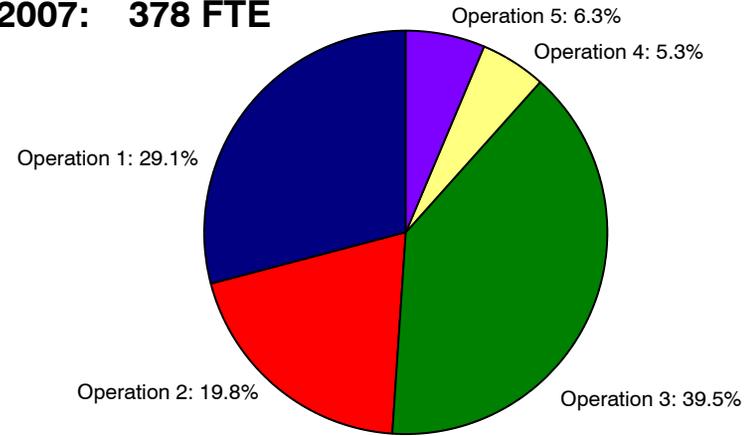
Source: Actual Costs derived from the Labor Cost Reporting System and the Accounting System. Estimates provided by Cost Center Managers and Office Directors.

Workyears: Comparison by Operation, Fiscal Years 2007, 2008, 2009

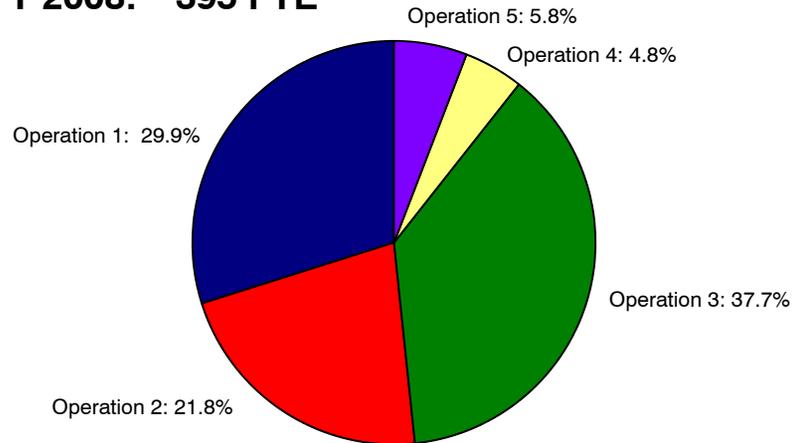
Operations

- Operation 1: Import Injury Investigations
- Operation 2: Intellectual Property-Based Import Investigations
- Operation 3: Industry and Economic Analysis
- Operation 4: Tariff and Trade Information Services
- Operation 5: Trade Policy Support

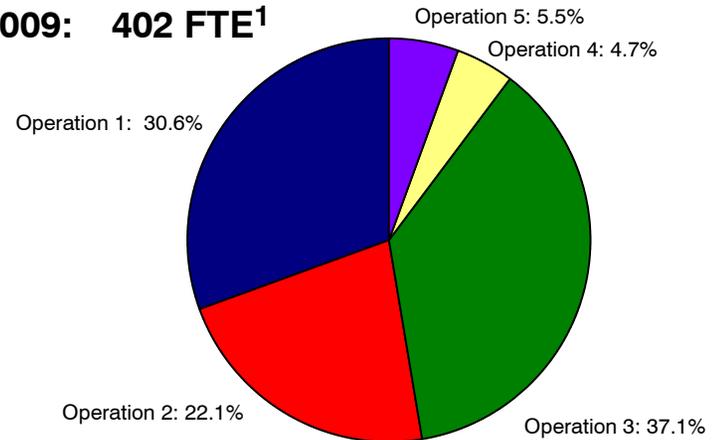
FY 2007: 378 FTE



FY 2008: 395 FTE¹



FY 2009: 402 FTE¹



¹ Estimate

Source: Actual Costs derived from the Labor Cost Reporting System and the Accounting System. Estimates provided by Cost Center Managers and Office Directors.

Budget Summary by Operation, Fiscal Years 2007, 2008, 2009

(Dollar Amounts in Thousands)¹

Operation	FY 2007 Actual		FY 2008 Estimate		FY 2009 Estimate		FY 2008-09 Changes	
	Workyears	Dollars	Workyears	Dollars	Workyears	Dollars	Workyears	Dollars
1: Import Injury Investigations	110	\$18,683	118	\$20,097	123	\$22,151	5	\$2,054
2: Intellectual Property-Based Import Investigations	75	13,133	86	14,753	89	16,362	3	1,609
3: Industry and Economic Analysis	149	23,935	149	25,479	149	26,303	0	824
4: Tariff and Trade Information Services	20	3,256	19	3,582	19	3,923	0	341
5: Trade Policy Support	24	3,975	23	4,489	22	4,861	-1	372
TOTAL BUDGET SUMMARY	378	\$62,981	395	\$68,400	402	\$73,600	7	\$5,200

¹ Totals may not add due to rounding.

Source: Actual Costs derived from the Labor Cost Reporting System and Accounting System. Estimates provided by the Cost Center Managers and Office Directors.

Direct/Indirect Cost by Operation, Fiscal Years 2007, 2008, 2009

(Dollar Amounts in Thousands)¹

Operation	FY 2007 Actual		FY 2008 Estimate		FY 2009 Estimate		FY 2008-09 Changes	
	Workyears	Dollars	Workyears	Dollars	Workyears	Dollars	Workyears	Dollars
A. Direct Costs²								
1: Import Injury Investigations	73	\$10,852	80	\$11,699	84	\$13,011	4	\$1,312
2: Intellectual Property-Based Import Investigations	53	8,233	60	8,985	63	10,159	3	1,174
3: Industry and Economic Analysis	94	13,136	94	13,885	94	14,044	0	159
4: Tariff and Trade Information Services	12	1,590	12	1,797	12	2,015	0	218
5: Trade Policy Support	14	2,234	14	2,585	14	2,687	0	102
Subtotal	246	\$36,046	260	\$38,951	267	\$41,916	7	\$2,965
B. Indirect Costs³								
1: Import Injury Investigations	37	\$7,831	38	\$8,398	39	\$9,140	1	\$742
2: Intellectual Property-Based Import Investigations	22	4,900	26	5,768	26	6,203	0	435
3: Industry and Economic Analysis	55	10,798	55	11,594	55	12,259	0	665
4: Tariff and Trade Information Services	8	1,666	7	1,785	7	1,908	0	123
5: Trade Policy Support	10	1,741	9	1,904	8	2,174	-1	270
Subtotal	132	\$26,935	135	\$29,449	135	\$31,684	0	\$2,235
TOTAL COSTS	378	\$62,981	395	\$68,400	402	\$73,600	7	\$5,200

¹ Totals may not add due to rounding.

² Direct Costs include personnel costs directly attributed to the five operations including the Commissioners and Information Technology Services, as well as rent and travel charged directly to the five operations in the Commission's Strategic Plan.

³ Indirect Costs include personnel costs such as EEO and general administration support services. Indirect costs also include virtually all non-personnel costs, such as contractual services, supplies, and equipment, as well as rent, travel and training, labor, union, and OSHA. Most indirect costs are allocated to operations according to the percentage of total costs directly charged to each operation.

Source: Actual Costs derived from the Labor Cost Reporting System and Accounting System. Estimates provided by the Cost Center Managers and Office Directors.

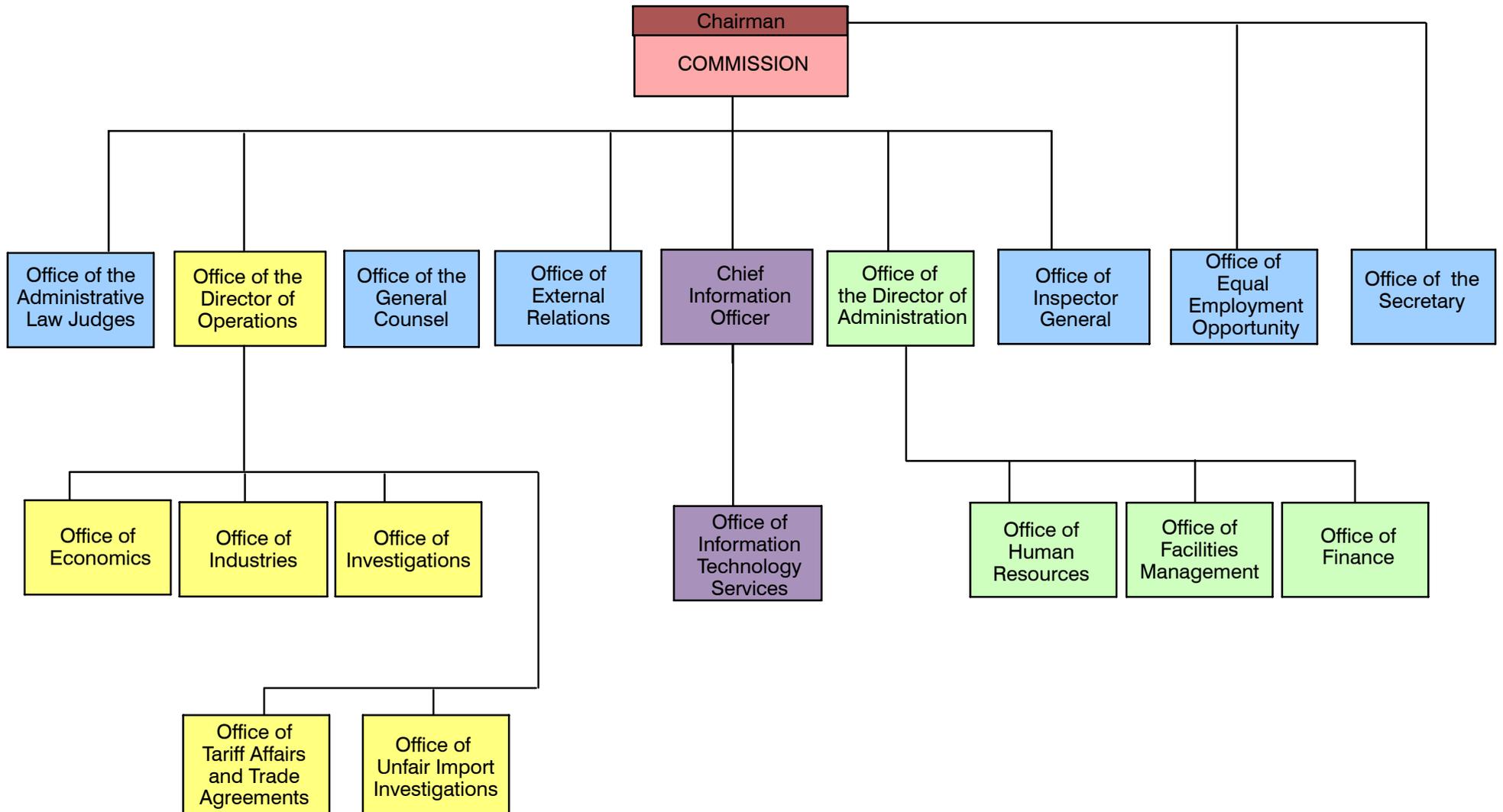
Workyears by Activity and Office - Fiscal Year 2007¹

Office/Division	COMM	ER	IG	GC	SE	ALJ	EEO	OP	OINV	OUII	EC	TATA	ID	CIO	AD	TOTALS
Operation 1-Import Injury Investigations	15.9	0.3		14.2	2.6				20.7		7.0	0.2	5.1	7.4		73.3
Title VII Investigations				1.9	2.6				7.5		2.2		1.6			15.9
Sunset Investigations		0.1		3.5					11.3		4.3		3.1			22.2
Other Investigations				0.1								0.2				0.3
Litigation				7.3												7.3
Operational Support		0.2		1.4					1.8		0.5		0.4	7.4		11.6
Executive Direction	15.9															15.9
Operation 2-Intellectual Property Investigations	3.9	0.4		10.3	0.7	12.2				15.6				9.4		52.5
Section 337 Investigations		0.1		6.9	0.7	12.2				14.9						34.7
Section 337 Litigation				3.2												3.2
Operational Support		0.3		0.2						0.7				9.4		10.6
Executive Direction	3.9															3.9
Operation 3-Industry and Economic Analysis	5.3	0.1		0.5	0.1			6.9	1.6		18.8	0.1	50.6	10.1		94.1
Statutory Investigations		0.1		0.5	0.1			1.1	1.2		12.3		34.6	0.5		50.3
Other Industry and Economic Analysis								0.9	0.5		6.3	0.1	15.5			23.3
Operational Support								5.0			0.2		0.5	9.6		15.2
Executive Direction	5.3															5.3
Operation 4-Tariff and Trade Information Services	0.8							0.3	0.2			6.8	2.2	2.0		12.4
Harmonized Tariff System												5.6	0.3	0.1		5.9
Legislative Reports												0.5	0.6			1.1
Trade Database Management								0.3	0.2				1.1	0.8		2.3
Operational Support												0.7	0.3	1.2		1.0
Executive Direction	0.8															0.8
Operation 5-Trade Policy Support	0.5	1.6		0.7				0.4	2.3		1.5	2.6	3.3	1.4		14.2
Technical Assistance to Congress		0.8		0.2							0.2	0.3	0.5			2.0
Technical Assistance to Executive		0.8		0.3				0.1			0.3	1.3	1.5			4.4
Operational Support				0.2				0.3	2.2		1.0	0.9	1.3	1.4		5.9
Executive Direction	0.5															0.5
Leave/Holidays	1.3	1.0	0.3	8.0	1.1	2.3	0.2	2.8	5.8	3.6	8.5	2.8	15.1	6.7	5.3	64.8
Administrative Overhead	0.1	1.7	1.5	8.7	1.6	0.5	1.0	4.3	3.8	0.8	7.3	0.6	12.1	0.2	22.9	67.0
Total	27.8	5.1	1.8	42.4	6.0	15.0	1.2	14.7	34.3	20.1	43.1	13.1	88.4	37.2	28.2	378.3

¹Totals may not add due to rounding.

Source: Labor Cost Reporting System

FY 2008 U.S. International Trade Commission Organization



Commission Staffing Plan, Fiscal Years 2007, 2008, 2009

Office	Actual FY 2007				Proposed FY 2008				Proposed FY 2009			
	Perm.	Term	Temp.	Total Positions	Perm.	Term	Temp.	Total Positions	Perm.	Term	Temp.	Total Positions
Commissioners' Offices	31			31	31			31	31			31
External Relations	5			5	5			5	5			5
Inspector General	4			4	4			4	4			4
General Counsel	42	1		43	43	1		44	42	1		43
Secretary	7			7	7			7	7			7
Administrative Law Judges	13	2		15	16			16	16			16
Equal Employment Officer	1		1	2	2		1	3	2		1	3
Subtotal Independent Offices	103	3	1	107	108	1	1	110	107	1	1	109
Operations, Director	15			15	15			15	15			15
Investigations	36	1		37	37			37	37			37
Unfair Import Investigations	19			19	21	1		22	21	1		22
Economics	45	2	1	48	45	3	5	53	45	3	5	53
Tariff Affairs and Trade Agreements	14			14	14			14	14			14
Industries	100		3	103	100			100	100			100
Subtotal Operations	229	3	4	236	232	4	5	241	232	4	5	241
Chief Information Officer	6			6	6			6	6			6
Information Technology Services	32	5		37	32	5		37	34	4		38
Subtotal Chief Information Officer	38	5		43	38	5		43	40	4		44
Administration, Director	5			5	5			5	5			5
Finance	5			5	5			5	5			5
Facilities Management	11			11	11			11	11			11
Human Resources	7		1	8	7		1	8	7		1	8
Subtotal Administration	28		1	29	28		1	29	28		1	29
TOTAL	398	11	6	415	406	10	7	423	407	9	7	423

Direct Labor Cost: Workyears and Dollars (Salaries and Benefits) by Office and Operation, Fiscal Year 2007¹

(Dollar Amounts in Thousands)²

	OP 1: Import Injury Investigations		OP 2: Intellectual Property-Based Import Investigations		OP 3: Industry and Economic Analysis		OP 4: Tariff and Trade Information Services		OP 5: Trade Policy Support	
	Workyears	Dollars	Workyears	Dollars	Workyears	Dollars	Workyears	Dollars	Workyears	Dollars
Commissioners	15.9	\$2,447	3.9	\$612	5.3	\$784	0.8	\$93	0.5	\$82
External Relations	0.3	42	0.4	57	0.1	17			1.6	289
General Counsel	14.2	2,113	10.3	1,445	0.5	84			0.7	111
Secretary	2.6	230	0.7	82	0.1	13				
Administrative Law Judges			12.2	1,513						
Operations, Director					6.9	660	0.3	33	0.4	61
Investigations	20.7	2,648			1.6	164	0.2	12	2.3	294
Unfair Import Investigations			15.6	2,362						
Economics	7.0	842			18.8	2,480			1.5	192
Tariff Affairs and Trade Agreements	0.2	30			0.1	13	6.8	798	2.6	356
Industries	5.1	543			50.6	6,133	2.2	244	3.3	412
Chief Information Officer	7.4	820	9.4	1,171	10.1	1,017	2.0	182	1.4	165
TOTAL COSTS¹	73.4	\$9,716	52.5	\$7,242	94.1	\$11,365	12.4	\$1,362	14.2	\$1,962

¹ Covers only those offices where time is charged directly to specific operations.

² Totals may not add due to rounding.

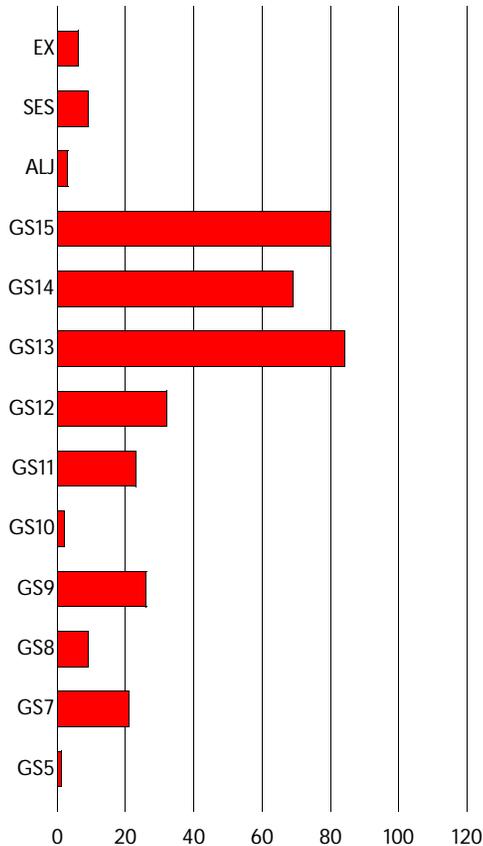
Source: Labor Cost Reporting System

Total Labor Cost/Workyears by Office, Fiscal Year 2007

(Dollar Amounts in Thousands)¹

On Board by Grade

(as of 9/30/07)



Office	Commission Staffing Plan ²	FY 2007 Actual		
		Workyears	Salaries and Benefits ³	Average Cost Salaries and Benefits
Commissioners' Offices	31	27.8	\$4,281.9	\$153.8
External Relations	5	5.1	751.2	147.5
Inspector General	4	1.8	278.5	158.2
General Counsel	43	42.4	5,863.4	138.2
Secretary	7	6.0	656.5	108.6
Administrative Law Judges	15	15.0	1,848.2	123.1
Equal Employment Officer	2	1.2	171.3	139.7
Operations, Director	15	14.7	1,607.5	109.6
Investigations	37	34.3	4,104.6	119.7
Unfair Import Investigations	19	20.1	3,165.6	157.5
Economics	48	43.1	5,491.6	127.4
Tariff Affairs and Trade Agreements	14	13.1	1,492.1	113.6
Industries	103	88.4	10,013.8	113.3
Chief Information Officer	43	37.2	3,900.1	104.9
Administration	29	28.2	2,817.3	99.8
COMMISSION TOTAL	415	378.3	\$46,443.8	\$122.8

¹ Totals may not add due to rounding.

² Commission Staffing Plan includes permanent, term and temporary positions.

³ Salaries and Benefits total does not include workers' compensation or commuter subsidy costs.

Source: Labor Cost Reporting System

United States International Trade Commission Fiscal Year 2008 and 2009 Performance Plans



The following presents the elements of the Commission's final Performance Plan for fiscal year (FY) 2008 and the initial Plan for FY 2009 that are not addressed in the body of the agency's Budget Justification. Together, the justification and the plans form the Commission's Performance Budget. The Commission's performance planning is carried out in accordance with the provisions of the Government Performance and Results Act (GPRA or Results Act). The Plans are based on the sixth edition of the agency's Strategic Plan, which was issued in September 2006.

Mission statement

The mission of the Commission is to: (1) administer U.S. trade remedy laws within its mandate in a fair and objective manner; (2) provide the President, the United States Trade Representative (USTR), and Congress with independent, quality analysis, information, and support on matters of tariffs and international trade and competitiveness; and (3) maintain the Harmonized Tariff Schedule of the United States.

In so doing, the Commission serves the public by implementing U.S. law and contributing to the development of sound and informed U.S. trade policy.

Strategic Goal

The Commission has one strategic goal, which is to effectively conduct five strategic Operations:

- Operation No. 1: Import injury investigations
- Operation No. 2: Intellectual property-related import investigations
- Operation No. 3: Industry and economic analysis
- Operation No. 4: Tariff and trade information services
- Operation No. 5: Trade policy support

Introduction

The Commission has one program activity set forth in the Budget of the United States, but has, for the purposes of its Strategic Plan and Performance Budget, divided the agency's functions into the five Operations listed above. The organization of the Budget along operational lines shows how the agency's goals relate to the costs of achieving targeted levels of performance. The Performance Plan portion of the Budget sets out what the agency intends to accomplish in the coming years by establishing goals to define the level of performance to be achieved by each Operation in FY 2008 and 2009. As encouraged by the Results Act, the Commission has sought to express those performance goals in an objective, quantifiable, and measurable form. To the extent practicable, the Commission has established outcome-oriented goals. Output-oriented goals appear in the Plans only if they constitute appropriate and significant measures of performance. The Performance Plans reproduce the general goals that are set out in the Commission's Strategic Plan, as revised, and establish FY 2008 and 2009 performance goals corresponding to each general goal.

The Performance Plans also set out for each performance goal one or more performance indicators that the Commission will use in measuring the relevant outputs and outcomes of each Operation and that provide a basis for comparing actual program results with the performance goals. Consistent with the E-Government Act of 2002, the Plans include performance measures that demonstrate how electronic government enables progress toward agency objectives, goals, and mandates. The Plans also discuss the agency's performance during FY 2004, 2005, 2006, and 2007. The Budget Justification describes, with respect to each Operation, the operational processes, skills and technology, and the human, capital, information, or other resources required to meet the performance goals.

The Commission performs an annual verification and validation of measured values. For each Operation, a senior agency manager serves as Operation Coordinator. Among the duties of the Operation Coordinators is the responsibility to coordinate that verification and validation, under the general oversight of the Strategic Planning Committee. That process involves review of the logs and reports generated by staff offices as set out in the performance indicators, and such other procedures as the Operation Coordinators determine to implement, including the use of existing record keeping processes, and automated systems such as the Electronic Document Information System (EDIS).

The Commission made progress in FY 2004, 2005, 2006, and 2007 toward the achievement of the goals set out in the Performance Plans for those periods. The Operation Coordinators developed a variety of customer surveys and logs to measure the agency's success at meeting those goals. The Commission issued an FY 2007 Performance and Accountability Report in November 2007.

The Strategic Plan

In September 2006, the Commission issued the sixth edition of its Strategic Plan. As noted above, these Performance Plans are based on that edition. The current Strategic Plan covers the period FY 2006-2011, and has been updated and enhanced on the basis of the Commission's past experience in strategic planning.

Guide to abbreviations used in the Plans

Abbreviations	Meanings
ACE	Automated Commercial Environment
AD	Antidumping
ALJ	Administrative Law Judge
APO	Administrative protective order
Blue Book	Antidumping and Countervailing Duty Handbook
CVD	Countervailing duty
EDIS	Electronic Document Information System
EC	Office of Economics
ER	Office of External Relations
GC	Office of the General Counsel
HR	Office of Human Resources
HTS	Harmonized Tariff Schedule of the United States
ID	Initial determination by an ALJ
IND	Office of Industries
INV	Office of Investigations
ITS	Information Technology Services
NTM	Non-tariff measure
OAD	Office of Administration
OMB	Office of Management and Budget
OP	Office of Operations
OUII	Office of Unfair Import Investigations
Red Book	An Introduction to Administrative Protective Order Practice in Import Injury Investigations
SE	Office of the Secretary
TATA	Office of Tariff Affairs and Trade Agreements
TEO	Temporary exclusion order
URAA	Uruguay Round Agreements Act
USTR	United States Trade Representative
WCO	World Customs Organization
WTO	World Trade Organization

OPERATION NO. 1: Import Injury Investigations

In FY 2008 and 2009, the Commission will seek to improve its performance in conducting import injury investigations by improving public access to information about the process, ensuring its procedures are fair and properly implemented, and completing proceedings on time. To those ends, the Commission plans to update informational materials and, as appropriate, develop new ones, seek feedback from participants and promptly provide them with investigative data, perform internal reviews of draft investigation and litigation documents, meet deadlines, and undertake regular reviews and assessments of the import injury program or its components to identify areas for potential improvement. External factors affecting performance within Operation No. 1 include industry decisions on whether to file cases, Commerce Department determinations, judicial and panel review, and changes in legislation. The Commission will continue to consult as necessary with the Department of Commerce on the two agencies' distinct roles in the antidumping and countervailing duty investigative process.

General Goal

The Strategic Plan establishes a general goal and strategies for Operation No. 1. The general goal is as follows:

Facilitate a rules-based international trading system by producing high quality and timely import injury determinations based on:

- an effective exchange of information between the Commission and interested persons,*
- an appropriate investigative record, and*
- fair and equitably-implemented procedures.*

The table below sets out the strategies relating to that general goal, and the performance goals and indicators corresponding to those strategies.

Strategies	Performance Indicators ¹	FY 2008 Performance Goals	FY 2009 Performance Goals
1.(a) Conduct appropriate internal review of draft investigation and litigation documents.	a. Commissioner comments on sufficiency of the information in the record (INV/GC).	a 80% positive response.	a. 80% positive response.
	b. Draft staff reports to investigative teams and senior staff for review (INV).	b. 100% of draft reports circulated.	b. 100% of draft reports circulated.
	c. Drafts of legal issues memoranda and opinions to teams for comment on factual accuracy and confidentiality, and draft briefs to Commission for comment (GC).	c. 100% of draft documents circulated.	c. 100% of draft documents circulated.
	d. Team participation in opinion-writing process (INV).	d. 100% team participation in opinion meetings and in comments on opinion drafts, absent compelling reason for non-participation.	d. 100% team participation in opinion meetings and in comments on opinion drafts, absent compelling reason for non-participation.
1.(b) Meet statutory, court, and administrative deadlines.	a. Reports and determinations (INV) and memoranda and draft opinions issued, and briefs (GC) submitted, on time.	a. 100% on time.	a. 100% on time.
2. Effectively develop investigative records and provide information on investigations to participants and the public.	a. More effective information management methods adopted (INV/SE/GC).	a. Progress is made on improving methods of gathering and processing investigative data.	a. Progress is made on improving methods of gathering and processing investigative data, taking into account results of biannual survey regarding investigative procedures.
	b. Review of Web site and revision of content as appropriate (INV); level of satisfaction reported by users of ITC import injury Web pages (ITS).	b. (1) Semi-annual reviews and revisions completed. (2) 1 point improvement over FY 2007 level.	b. (1) Semi-annual reviews and revisions completed. (2) 1 point improvement over FY 2008 level.
	c. Prompt entry of documents into EDIS after filing, and improvements adopted (ITS).	c. (1) 75% of documents filed are made available on EDIS within 24 hours.	c. (1) 75% of documents filed are made available on EDIS within 24 hours.

See note at end of table.

Strategies	Performance Indicators ¹	FY 2008 Performance Goals	FY 2009 Performance Goals
		c. (2) 85% of documents filed are made available on EDIS within 48 hours.	c. (2) 85% of documents filed are made available on EDIS within 48 hours.
		c. (3) Working group meets quarterly to consider and report on issues related to electronic filing and maintenance of records on EDIS.	c. (3) Working group meets quarterly to consider and report on issues related to electronic filing and maintenance of records on EDIS.
3. Undertake regular independent reviews and assessments of the import injury investigations program or its components to identify areas for potential improvement.	a. Independent, objective review identifies areas for potential improvement (INV).	a. Determine subject area to be covered by first independent review.	a. Develop plan for conducting independent review, and seek approval for putting plan into effect in FY 2010.

Note: 1. In performance indicators, the offices shown in parentheses are the staff offices responsible for measurement.

Performance

During FY 2004, 2005, 2006, and 2007 the Commission generally met the performance goals of its Performance Plans:

- In FY 2004, pursuant to comments submitted by the trade bar in connection with its third user survey and in response to a request via Federal Register notice, the Commission reviewed agency investigative procedures and implemented a series of process improvements related to the conduct of antidumping and countervailing duty investigations and reviews. The Commission also updated *An Introduction to Administrative Protective Order Practice in Import Injury Investigations* (the Red Book), in part to address electronic filing procedures; completed plans for the redesign of investigation Web pages to expand both general and investigation-specific content; conducted appropriate internal review of draft documents, including opinions; issued all determinations and related documents on time; and completed plans for design enhancements for the next release of EDIS. In FY 2004, the Commission did not meet its goals regarding external access to filed documents and determined that further process and system enhancements to EDIS were necessary.

- In FY 2005, the Commission enhanced the design and content of its web site, providing a separate page for each active and recently completed import injury investigation, showing key dates of interest to the public, contact information for assigned staff, and links to all relevant ITC and Commerce notices, questionnaires, transcripts, service lists, news releases, and public reports, available for downloading and printing. Also added were information pages on the major types of import injury investigations and the Byrd Amendment, and links to resources such as relevant sections of trade statutes, the Commission's Rules of Practice and Procedure, statutory timetables, historical import injury case statistics, Commerce's Import Administration, the Sunset Reviews web site, outstanding AD/CVD orders, ITC publications on import injury cases, EDIS, the *Antidumping and Countervailing Duty Handbook* (the Blue Book), and the Red Book. The Commission also released an enhanced search tool for EDIS in FY 2005, and realigned the agency's docket function (see p. 13). The search tool provides improved access to public documents, including multiple search options, faster retrieval, and more user-friendly results. In addition, the Commission updated the Blue Book; conducted appropriate internal review of draft documents, including opinions; and issued all determinations and related documents on time.

- In FY 2006, pursuant to comments submitted by the trade bar in connection with its fourth user survey, the Commission reviewed procedures related to the issuance of questionnaires and access to documents on EDIS and took steps toward process improvements in those areas. The Commission conducted appropriate internal review of draft documents, including opinions, and issued all determinations and related documents on time. Semi-annual reviews were conducted related to the content of the import injury Web pages, and a baseline was established for the level of satisfaction reported by users of those pages. System modifications to EDIS were implemented to allow for the electronic acceptance of confidential documents in limited circumstances.

- In FY 2007, pursuant to comments submitted by the trade bar in connection with its fourth user survey, the Commission began on a regular basis to issue import injury questionnaires in MS Word format for ease of use by responding parties. The Commission created templates of questionnaires in MS Word using form fields so that respondents can enter data into those fields electronically and staff can block-copy data into spreadsheets and other formats, thereby reducing data entry errors. In addition, the Commission is developing a means by which

respondents can file questionnaires electronically through EDIS as Word documents; the questionnaires will be sent to a secure site behind the firewall where they can be accessed by staff and, at the same time, will be automatically converted to PDF and filed in EDIS in the same manner as other documents. In FY 2007, the Commission updated the Blue Book; conducted appropriate internal review of draft documents, including opinions; and issued all determinations and related documents on time. Semi-annual reviews were conducted related to the content of the import injury Web pages, and significant enhancements were made to the design and content of those pages. The Commission expects to make significant advances during FY 2008 with the release of a re-engineered version of EDIS. Both the Commission and practicing parties will see improvements in overall performance and usability through the implementation of a central home page for all EDIS functions, improvements in the electronic submission process, and allowing external users to receive electronic notification of document submissions via a web feed. The Commission also expects to make significant advances during FY 2008 in the electronic service of confidential records. This will benefit both the Commission and practicing parties by reducing quality issues and the Commission's expenses related to paper-based service while providing the served parties with quicker access to the documents they are served.

OPERATION NO. 2: Intellectual Property-Based Import Investigations

The Commission plans to undertake activities during FY 2008 and 2009 to measure and enhance performance with respect to three central concerns in the Section 337 area: the expeditious completion of proceedings, the effectiveness of the agency's orders, and the provision of information to the public about the section 337 process. The Commission will collect and analyze data regarding the length of investigations and ancillary proceedings and the Commission's compliance with key statutory and administrative deadlines. The Commission will also ensure that new filings are entered into EDIS in a timely manner and that additional types of information are made available to the public. During FY 2000, the agency surveyed complainants who obtained exclusion orders regarding whether imports subject to exclusion had stopped and then developed recommendations in light of survey results. This survey was repeated in late FY 2005 in order to obtain further feedback from the public, and during 2006 a Commission working group compiled and analyzed the responses. A goal providing for semiannual meetings with members of the Intellectual Property Rights (IPR) Branch of U.S. Customs and Border Protection (Customs) was added to facilitate communications between Commission and Customs personnel regarding enforcement of Section 337 remedial orders. External factors affecting performance of this function include the size and complexity of the Section 337 docket, which is dependent on the decisions of businesses to file cases; judicial review; legislative changes; and Customs enforcement of orders.

General Goal

The Strategic Plan establishes a general goal and strategies for Operation No. 2. The general goal is as follows:

Facilitate a rules-based international trading system by conducting intellectual property-based import investigations in an expeditious and transparent manner and providing for effective relief when it is warranted.

The table below sets out the strategies relating to that general goal, and the performance goals and indicators corresponding to those strategies.

Strategies	Performance Indicators ¹	FY 2008 Performance Goals	FY 2009 Performance Goals
<p>1. Meet statutory and key administrative and court deadlines, conclude section 337 investigations expeditiously, and reduce the average time to conclude ancillary proceedings.</p>	<p>a. Investigations are instituted, target dates are set, and court briefs are filed, on time (OUII/GC).</p> <p>b. Final IDs and final determinations are issued on their target dates (GC).</p> <p>c. In TEO proceedings, TEO IDs and determinations are issued on time (GC).</p> <p>d. Length of investigations into alleged Section 337 violations (OUII/GC).</p> <p>e. Length of ancillary proceedings (OUII/GC).</p>	<p>a. 100% of actions occur on time.</p> <p>b. 100% of actions occur on time.</p> <p>c. 100% of actions occur on time.</p> <p>d. Conclude investigations in time frames that are consistent with the URAA.</p> <p>e. Average length of proceedings is: (1) modification -6 mos. (2) advisory -12 mos. (3) enforcement -12 mos. (4) consolidated ancillaries-15 mos.</p>	<p>a. 100% of actions occur on time.</p> <p>b. 100% of actions occur on time.</p> <p>c. 100% of actions occur on time.</p> <p>d. Conclude investigations in time frames that are consistent with the URAA.</p> <p>e. Average length of proceedings is: (1) modification -6 mos. (2) advisory -12 mos. (3) enforcement -12 mos. (4) consolidated ancillaries-15 mos.</p>
<p>2. Effectively provide information regarding investigations to the public as well as to investigative participants.</p>	<p>a. Review of Web site and revision of content as appropriate (OUII/GC); Level of satisfaction reported by users of ITC intellectual property infringement web pages (ITS).</p> <p>b. Prompt entry of documents into EDIS after filing, and improvements adopted (ITS).</p>	<p>a. (1) Semi-annual reviews and revisions completed.</p> <p>a. (2) 1 point improvement over FY 2007 level.</p> <p>b. (1) 75% of documents filed are made available on EDIS within 24 hours.</p> <p>b. (2) 85% of documents filed are made available on EDIS within 48 hours.</p> <p>b. (3) Working group meets quarterly to consider and report on issues related to electronic filing and maintenance of records on EDIS.</p>	<p>a. (1) Semi-annual reviews and revisions completed.</p> <p>a. (2) 1 point improvement over FY 2008 level.</p> <p>b. (1) 75% of documents filed are made available on EDIS within 24 hours.</p> <p>b. (2) 85% of documents filed are made available on EDIS within 48 hours.</p> <p>b. (3) Working group meets quarterly to consider and report on issues related to electronic filing and maintenance of records on EDIS.</p>

See note at end of table.

Strategies	Performance Indicators ¹	FY 2008 Performance Goals	FY 2009 Performance Goals
3. Actively facilitate enforcement of exclusion orders.	<p>a. Timely seizure and forfeiture notices resulting from Customs letters (GC).</p> <p>b. Improve communications regarding enforcement of remedial orders (OUII/GC).</p>	<p>a. Issue seizure and forfeiture orders approximately 30 days after the time has run for filing a protest with Customs.</p> <p>b. (1) Enforcement working group meets at least semi-annually to discuss remedy issues and oversees implementation of any proposals adopted in view of exclusion order survey.</p> <p>b. (2) Scheduling information regarding Section 337 proceedings is provided to Customs on a quarterly basis.</p> <p>b. (3) OGC and OUII representatives meet with IPR Branch of Customs semi-annually to discuss enforcement-related issues.</p>	<p>a. Issue seizure and forfeiture orders approximately 30 days after the time has run for filing a protest with Customs.</p> <p>b. (1) Enforcement working group meets at least semi-annually to discuss remedy issues and oversees implementation of any proposals adopted in view of exclusion order survey.</p> <p>b. (2) Scheduling information regarding Section 337 proceedings is provided to Customs on a quarterly basis.</p> <p>b. (3) OGC and OUII representatives meet with IPR Branch of Customs semi-annually to discuss enforcement-related issues.</p>

Note: 1. In performance indicators, the offices shown in parentheses are the staff offices responsible for measurement.

Performance

During FY 2004, 2005, 2006, and 2007 the Commission generally met the performance goals of its Performance Plans:

- During FY 2004, the Section 337 workload was quite high, with the number of new investigations during the year significantly above that of the prior two fiscal years. The Commission continued to meet deadlines and issue virtually all documents on time. During the year, the Commission did not meet its goals regarding external access to filed documents and determined that further process and system enhancements to EDIS were necessary. Throughout FY 2004, the Commission worked to increase the efficiency, speed, and reliability of its internal document processing to help meet the goals for real-time updates. System modifications were implemented to enhance viewing and retrieval of bulky documents and improve workflow processing to decrease the time it takes to make documents available to the

public. In FY 2004, questionnaires regarding the effectiveness of outstanding exclusion orders were prepared for a survey to be conducted during FY 2005.

- During FY 2005, the Section 337 workload increased again, with the number of matters active during the year more than 25 percent above that of FY 2004. The Commission continued to meet deadlines and issue virtually all documents on time. During the year, the Commission did not meet its goals regarding electronic access to filed documents and determined that organizational realignment of the Office of the Chief Information Officer and continued system enhancements to EDIS were necessary. The Commission completed a reorganization of the Office of the Chief Information Officer, whereby the dockets function, formerly a service maintained by Office of the Secretary, became the Docket Services Division of the Office of IT Services. The intent of this realignment was to accelerate the transformation of the docket function to a predominantly electronic service. System modifications were implemented to enhance access to public documents, including faster retrieval, and more user-friendly search results. The Commission sent out survey questionnaires regarding the effectiveness of outstanding exclusion orders in the last quarter of FY 2005.
- During FY 2006, the Section 337 caseload continued to climb, with new matters increasing by nearly 40 percent as compared to the prior year and the total number of matters active during the course of the year increasing by more than 20 percent. Nevertheless, the Commission continued to meet deadlines and issue virtually all documents on time. During the year, the enforcement working group collected and analyzed responses to the exclusion order survey and prepared recommendations for the Commission's consideration in view of the survey results. The working group also began providing Section 337 scheduling information to Customs on a quarterly basis. System modifications to EDIS were implemented to allow for the electronic acceptance of confidential documents.
- During FY 2007, the Section 337 area was again extremely active, with the number of investigations before the Commission during the year exceeding the record level experienced in FY 2006. Overall, the number of active cases in FY 2007 was nearly 80 percent higher than the number of active cases four years earlier. Moreover, the Office of ALJs not only shouldered an exceptionally heavy workload, but also had to cope with the retirement of two ALJs and the extended absence of another during the year. Although the Commission continued to meet its deadlines for the institution of new investigations and the issuance of final decisions, interim

deadlines for the establishment of target dates and the issuance of initial determinations regarding violation were missed in a handful of investigations. Also, the average length of time taken to reach a final decision on the merits increased to 16.6 months as compared to an average length of investigations of less than 15 months in the preceding four years.

- During the year, members of the enforcement working group met with representatives from the IPR Branch of Customs to discuss matters relating to exclusion order enforcement, and the enforcement working group continued to provide Section 337 scheduling information to Customs on a quarterly basis. System modifications to EDIS were implemented during FY 2007 to allow for the electronic notification of document submissions to internal users and to allow search results to be viewed in a tabular format and sorted more easily. The Commission expects to make significant advances during FY 2008 with the release of a re-engineered version of EDIS. This will benefit the Commission by supporting the case management methodology being implemented by the Docket Services Division. Also, both the Commission and practicing parties will see improvements in overall performance and usability through the implementation of a central home page for all EDIS functions, improvements in the electronic submission process to reduce rejections, and allowing external users to receive electronic notification of document submissions via a Web feed.

OPERATION NO. 3:

Industry and Economic Analysis

The Commission supports ongoing analysis of international trade issues to sustain its ability to provide expert analysis and advice to the executive branch and the Congress in the form of both formal reports and informal technical assistance. The Commission's goal is to provide sound, objective, value-added analytical products in a timely manner that lead to more informed public debate on trade policy issues. While it is not possible to measure directly the effects of the Commission's analysis on the U.S. economy, individual industry sectors, or U.S. trade policy, Commission experts are repeatedly called upon for advice on current and future trade issues and proposed trade legislation, as well as being in frequent demand as technical experts to congressional staff, interagency policy committees, and trade negotiating teams. External factors affecting the performance of this operation include customer requests for studies and legislative initiatives.

In 2005, the Commission began using citations by its primary clients as a signal of satisfaction with the delivered product. However, many of the agency's products are confidential and clients may not want to, or be able to, cite them. Many of the reports are used as final product, or as input to specific negotiations or agreements. The Commission has found that delays in negotiations and/or consideration of specific agreements in the legislative process can affect how often reports are publicly cited by customers. As a result, the Commission has not found tracking citations to be particularly insightful in regard to client satisfaction. This year, the Commission proposes using a phone survey to primary statutory report clients asking to more directly secure insights on client satisfaction. The Commission will use this year's responses to formulate a benchmark for future growth.

General Goal

The Strategic Plan establishes a general goal and strategies for Operation No. 3. The general goal is as follows:

Continually enhance and improve the program of industry and economic analysis that provides the legislative and executive branches, and public, with timely research products that are widely recognized for their contribution to sound and informed trade policy formulation.

The table below sets out the strategies relating to that general goal, and the performance indicators and goals corresponding to those strategies.

Strategies	Performance Indicators ¹	FY 2008 Performance Goals	FY 2009 Performance Goals
1. Continually improve and develop efficient and effective research methods..	<ul style="list-style-type: none"> a. Public statutory reports are mentioned as useful by customers such as USTR and Congress (OP). b. Section 332 reports to requesters on time (OP). c. Level of satisfaction reported by users of ITC Industry and Economic Analysis web pages; d. Customers request new types of analysis or new subject areas (OP). 	<ul style="list-style-type: none"> a. Baseline created from interviewing clients on usefulness of delivered report. b. 100% of reports on time. c. 1 point improvement over FY 2007 baseline level. d. 2 requests that involve new areas or types of analysis. 	<ul style="list-style-type: none"> a. 2% improvement over the FY 2008 baseline on clients categorizing delivered statutory reports as useful. b. 100% of reports on time. c. 1 point improvement over FY 2008 level. d. 2 requests that involve new areas or types of analysis.
2. Identify emerging areas and issues, and develop staff expertise.	<ul style="list-style-type: none"> a. Numbers of self-initiated articles, working papers, research notes, and presentations at professional meetings/conferences (OP). 	<ul style="list-style-type: none"> a. More than 60 initiatives, as resources and mandatory work permit. 	<ul style="list-style-type: none"> a. More than 60 initiatives, as resources and mandatory work permit.
	<ul style="list-style-type: none"> b. Number/type of enhancements in information management and analytical methods (OP). 	<ul style="list-style-type: none"> b. (1) Increased use of ITC Web site (including EDIS) to facilitate public involvement in studies and to disseminate information. Special efforts in FY 2008 include incorporating improvements discerned from web-based surveys that will improve customer satisfaction with the site 	<ul style="list-style-type: none"> b. (1) Increased use of ITC Web site (including EDIS) to facilitate public involvement in studies and to disseminate information. Special efforts in FY 2009 include broadcasting Commission industry and economic analysis and highlighting independent research more widely on the Web site.

See note at end of table.

Strategies	Performance Indicators ¹	FY 2008 Performance Goals	FY 2009 Performance Goals
		<p>b. (2) Expansion of economic modeling and analytical capabilities. Focus for FY 2008 will be: (1) implementation of model validation process to monitor USITC general equilibrium model performance, (2) complete work on analysis of changes in productivity owing to new manufacturing processes in certain industries, (3) analysis of the indirect regulatory costs faced by U.S. industries on their international competitiveness and the impact on long term sectoral trade or investment flows, (4) development of new tools/databases related to services and foreign direct investment to inform trade negotiations, (5) integration of NTM estimates into the agency's quantitative and qualitative analysis that will enumerate, describe, and where possible, quantify global non-tariff barriers to trade, and (6) completely updating the structure of USAGE model data from SIC- to NAICS-based.</p> <p>b. (3) Semi-annual Web site review and revision completed.</p>	<p>b. (2) Expansion of economic modeling and analytical capabilities. Focus for FY 2009 will be: (1) continuation of implementation of model validation process to monitor USITC general equilibrium model performance, (2) analysis of the indirect regulatory costs faced by U.S. industries on their international competitiveness and the impact on long term sectoral investment flows (3) continued development and utilization of new tools/ databases related to services and foreign direct investment to inform trade policy activities and (4) completion of the USAGE add-on module for occupational categories.</p> <p>b. (3) Semi-annual reviews of Web site and revisions completed.</p>
<p>3. Undertake regular independent reviews and assessments of the Industry and Economic Analysis program to identify areas for potential improvement.</p>	<p>a. Process developed and executed for the conduct of Independent objective reviews and assessments identify areas for potential improvement in the program.</p>	<p>a. Procedures developed to: (1) identify appropriate external reviewers and (2) secure timely, constructive and authoritative review of processes.</p>	<p>a. Procedures developed in 2008 executed by (1) engaging appropriate external reviewer and (2) securing timely, constructive and authoritative reviews.</p>

Note: 1. In performance indicators, the offices shown in parentheses are the staff offices responsible for measurement.

Performance

During FY 2004, 2005, 2006, and 2007, the Commission generally met the performance goals of its Performance Plans:

- In FY 2004, the Commission analyzed responses to mail back survey forms in each published report and to the on-line customer survey on the ITC Web site. In addition, the agency increased use of the Web site for timely dissemination of information on ongoing research investigations. During FY 2004, the Commission delivered congressionally mandated reports on the U.S. free trade agreements with Australia, Morocco, and Central America and the Dominican Republic. Congress and USTR cited these studies as being particularly useful in understanding the economic effects of these agreements on the U.S. economy as a whole, and on various agriculture, manufacturing, and services sectors. Special accomplishments in FY 2004 include analysis of NTMs in basic telecommunications services, several unique analytical reports related to services and agriculture, cohosting an APEC NTMs conference with the Australian Productivity Commission, utilizing the newly developed USAGE CGE model that reports state level results in *The Economic Effects of Significant U.S. Import Restraints Fourth Update 2004*, and moving *Shifts in U.S. Merchandise Trade 2003* to a web based publication. After reviewing various data regarding ITC Web site usage, the Commission revised one of its goals to focus on measurement of user satisfaction rather than on usage levels.
- In FY 2005, the Commission established a baseline for satisfaction of its Web users for Operation 3. The Commission continued to focus on improving delivery of its reports via the Web site. During FY 2005, the Commission delivered a number of innovative reports to Congress and USTR such as *The Impact of Trade Agreements Implemented Under Trade Promotion Authority*; *Foundry Products: Competitive Conditions in the U.S. Market*; *Logistic Services: An Overview of the Global Market and Potential Effects of Removing Trade Impediments*; *U.S. Trade and Investment with Sub-Saharan Africa: Fifth Annual Report*; *Remediation and Nature and Landscape Protection Services: an Examination of U.S. and Foreign Markets*; and *U.S.-Bahrain Free Trade Agreement: Potential Economywide and Selected Sectoral Effects*.

- In FY 2006, the Commission initiated e-mail subscription lists to provide customers with automatic updates and information about its reports. Relative to the 2005 benchmark, the Web satisfaction survey indicated that the agency has improved in 10 out of 11 surveyed areas. The Commission also made significant progress toward its industry and economic analysis research agenda: a new Investment program was established and a paper was produced on U.S. foreign direct investment; China knowledge was deepened and the Commission produced two papers, on both U.S.-China trade and the impact of Chinese demand on world commodities; and the understanding of NTMs was expanded through producing a paper on the price effect of banking NTMs and integrating estimates of NTMs into statutory reports on Colombia and Korea. In addition, the Commission delivered four studies on future and potential FTAs (*U.S. Korea Free Trade Agreement: Advice Concerning the Probable Economic Effect of Providing Duty-Free Treatment for Imports; U.S.-Malaysia Free Trade Agreement: Advice Concerning the Probable Economic Effect of Providing Duty-Free Treatment for Imports; U.S.-Oman Free Trade Agreement: Potential Economywide and Selected Sectoral Effects; U.S.-Peru Trade Promotional Agreement: Potential Economywide and Selected Sectoral Effects*). Other special accomplishments in 2006 include delivering innovative reports (*Economy-wide Simulation Modeling: Technical Analysis of the Doha Round; Conditions of Competition for Certain Oranges and Lemons in the U.S. Fresh Market; NAFTA: Woven Cotton Boxers and Shorts: Probable Effect of Modifications on NAFTA Rules of Origin for Goods of Canada and Mexico; Probable Effect of Certain Modifications to the North American Free Trade Agreement Rules of Origin*).

- In 2007, the Commission spent considerable energy on its research agenda, in addition to its increased statutory work load. On foreign direct investment, staff has made considerable progress on deepening in-house knowledge by publishing two papers (“Competitive Conditions of Foreign Direct Investment in India”; and “Inbound and Outbound U.S. Direct Investment with Leading Partner Countries”). On model validation, staff has incorporated data on trade with respect to previously untraded goods and services. These data will be the foundation for ongoing work on understanding the extent to which tariff reductions and FTAs resulted in new trade in previously untraded goods that are not addressed in the agency’s current models. In addition, the Commission delivered three studies to USTR on trade agreements: *U.S.-Colombia Free Trade Agreement: Potential Economywide and Selected Sectoral Effects; U.S.-Panama Free Trade Agreement: Potential Economywide and Selected*

Sectoral Effects; and U.S.-Korea Free Trade Agreement: Potential Economywide and Selected Sectoral Effects. Other special accomplishments in 2007 include delivering innovative reports (*Medical Devices and Equipment: Competitive Conditions Affecting U.S. Trade in Japan and Other Principal Foreign Markets; Certain Textile Articles: Probable Effect of Modification of NAFTA Rules of Origin for Goods of Canada and Mexico and for Goods of Canada; Sub-Saharan Africa: Factors Affecting Trade Patterns of Selected Industries, First Annual Report; and U.S. Agricultural Sales to Cuba: Certain Economic Effects of Restraints*). In FY 2007, Congress amended the African Growth and Opportunity Act to create a new statutory requirement with respect to the commercial availability of fabrics and yarns in beneficiary sub-Saharan African countries. As a result, the Commission issued interim rules and conducted an investigation on *Commercial Availability of Fabric and Yarns in AGOA Countries: Certain Denim.*

OPERATION NO. 4:

Tariff and Trade Information Services

During FY 2008 and 2009, the Commission plans to enhance its performance in providing tariff and trade information services by increasing the utility of various services for its customers and by providing timely and effective nomenclature and other services to Congress and the Administration. Central to this Operation is the publication of the HTS and various types of tariff and trade information which are available on the Commission's Web site. The Commission actively seeks feedback on customer satisfaction, and has established goals and indicators to account for such feedback. External factors affecting performance of this function include legislative changes and customer requests for assistance. The agency has included new, quantitative goals for this Operation based on Web page use, to reflect the agency's level of success in providing useful nomenclature information to customers.

General Goal

The Strategic Plan establishes a general goal and strategies for Operation No. 4. The general goal is as follows:

Provide effective technical expertise and advice on the implementation of U.S. trade policy and related administrative decisions; enhance the availability of high-quality and up-to-date tariff and international trade information to the executive and legislative branches, as well as the broader trade community and the public; and increase the ability of customers to use and understand such information.

The table below sets out the strategies relating to that general goal, and the performance goals and indicators corresponding to those strategies.

Strategies	Performance Indicators ¹	FY 2008 Performance Goals	FY 2009 Performance Goals
1. Increase the utility and improve the dissemination of ITC tariff and trade information services to customers.	a. Level of use, as appropriate: (1) Trade DataWeb. (2) Tariff Database (OP). b. More effective information management methods adopted (TATA). c. Level of use of HTS page of ITC Web site; review and revision of content (TATA). d. Results of feedback from users of ITC's tariff and trade Web pages (ITS). e. Number of email requests for tariff advice.	a. (1) 5% increase in number of Trade DataWeb reports provided. a. (2) 5% increase in number of Tariff Database reports provided. b. Modernization of data and tariff publication process implemented. c. 5% increase in usage over previous year; semiannual reviews and revisions completed. d. 1 point improvement over FY 2007 baseline level. e. 100% timely and accurate responses.	a. (1) 5% increase in number of Trade DataWeb reports provided. a. (2) 5% increase in number of Tariff Database reports provided. b. c. 5% increase in usage over previous year; semiannual reviews and revisions completed. d. 1 point improvement over FY 2008 level. e. 100% timely and accurate responses.
2. Provide timely, effective, and responsive nomenclature and related technical services to customers.	a. Results of product feedback assessments (TATA).	a. 95% positive results.	a. 95% positive results.
3. Undertake regular independent reviews and assessments of the tariff and trade information program, or its components, to identify areas for potential improvement.	a. Independent, objective review identifies areas for potential improvement (TATA).	a. Recommend to the Commission major program component(s) for review.	a. Determine scope of review and solicit possible review participants.

Note: 1. In performance indicators, the offices shown in parentheses are the staff offices responsible for measurement.

Performance

During FY 2004, 2005, 2006, and 2007 the Commission generally met the performance goals of its Performance Plans:

- In FY 2004, the 2004 edition of the HTS and a mid-year supplement were published in hard copy, and the electronic version on the ITC Web site was updated accordingly. Ongoing efforts to streamline the production of the HTS in order to facilitate the direct updating of the Dataweb,

the Customs Automated Commercial Environment (ACE) database and other electronic databases employing HTS codes continued. Further, the HTS Web page on the ITC Web site was reconfigured for better user friendliness and came online in its new format in FY 2005. Preliminary work began on a new Section 1205 investigation, whereby amendments recommended by the World Customs Organization (WCO) (and other amendments) eventually would be incorporated in the HTS, effective January 1, 2007. Two ITC staff members chaired separate committees at the WCO during the FY, and one was elected to chair the Harmonized System Committee during FY 2005. Commission representatives either led or participated in the U.S. delegations to the WCO, and U.S. proposals and position papers for the various committees were vetted with U.S. industry sources and other Government agencies, with outcomes that were consistent with U.S. views and acceptable to our trading partners. Using a new, simplified format for miscellaneous tariff bill reports, the Commission approved more than 100 bill reports. Communications with USTR, congressional committees, other government agencies (notably the Departments of Agriculture and Commerce, Customs and Border Protection, and the Overseas Private Investment Corporation), the WCO, and the private sector all indicated positive feedback on the ITC's activities in their behalf during the FY.

- In FY 2005, the 2005 edition of the HTS and a mid-year supplement were published in hard copy, and the electronic version on the ITC Web site was updated accordingly. Work continued on streamlining the production of the HTS in order to facilitate updating the Dataweb, the ACE database and other databases employing HTS codes. During the FY, the ITC Web site was reconfigured in an effort to make it simpler to access the HTS, Dataweb and other tariff-related Web pages. The report on Inv. No. 1205-6 (Preliminary), *Proposed Modifications to the Harmonized Tariff Schedule of the United States*, was submitted to USTR. An ITC staff member chaired two separate committees of the WCO and was re-elected to chair the Harmonized System Committee sessions to be held during FY 2006. Commission representatives led or participated in the U.S. delegations to the WCO, and many U.S. proposals and positions, vetted with U.S. industry and other government agencies, were accepted by our trading partners. More than 600 miscellaneous tariff bills were introduced in the FY by the 109th Congress, and by the end of the FY, the Commission had approved factual reports on more than 200 of them and forwarded them to the Congress. Communications with USTR, congressional committees, and the private sector all indicated positive feedback on the ITC's activities in their behalf during the FY.

- In FY 2006, the 2006 edition of the HTS and a mid-year supplement were published in hard copy and on-line. In addition, four electronic revisions were posted to the Commission Web site to reflect implementation of certain free-trade agreements and Congressional tariff legislation. The ITC also generated and published, on USTR's behalf, appendixes to Presidential Proclamations implementing free-trade agreements between the United States and Morocco, Bahrain and certain Central American countries. The final report on Inv. No. 1205-6 was submitted to USTR and, subsequently, to Congress for a statutory layover period, which was still ongoing at the end of FY2006. In this connection, the ITC worked closely with USTR and Customs to update staged-duty-rate-reduction tables and rules of origin for existing free trade agreements, as well as for certain pending FTAs. Commission staff led and/or participated in three separate committees of the WCO. One staff member chaired both sessions of the Harmonized System Committee during the fiscal year and was re-elected to chair the HSC sessions scheduled during FY 2007. During FY 2006 the Commission prepared an unprecedented number (nearly 900) of reports on miscellaneous tariff bills and forwarded them to Congress. About 260 provisions were enacted in P.L. 109-280, and the rest were set aside for congressional consideration in early FY 2007. During FY 2006, a Memorandum of Agreement was signed between Customs and the ITC. Under this data exchange agreement, the ITC will provide tariff data to Customs in exchange for trade transaction data needed for AD/CVD investigations. During the fiscal year, significant advancements were made in the proposed re-design of the process for preparing, updating and publishing the HTS in a manner designed to accelerate and streamline the transfer of tariff information from the HTS to the ITC Tariff Database, the ACE database and other external databases employing HTS-based tariff information. In addition, automated programs were being developed on both sides to expedite the preparation and upload into Customs border systems of annual staged rate reductions for FTAs and the introduction of new FTAs as they are implemented. Communications with USTR, congressional committees and the private sector all revealed positive feedback in the ITC's activities under Operation 4 during the fiscal year.

- In FY 2007, a preliminary version of the 2007 edition of the HTS, effective January 1, 2007, was posted on line to indicate changes in staged duty rates under various free trade agreements. An electronic revision, effective January 5, 2007, was posted to reflect the implementation of several hundred duty suspensions and duty reductions enacted by P.L. 109-432, the Tax Relief and Health Care Act of 2006. Amendments arising from Inv. No. 1205-6 could not be implemented before February 3, 2007, because of the unpredictable nature of the congressional layover required before such implementation. At that point, the “final basic” version of the 2007 HTS was published in hard copy and posted on line. The usual mid-year supplement was delayed in anticipation of the implementation of the U.S.-Oman Free Trade Agreement. However, that implementation was not proclaimed by the President before the end of the fiscal year; as such, a second electronic revision to the 2007 HTS was posted on the Commission website to reflect mid-year GSP amendments and Committee for Statistical Annotation of the Tariff Schedules (484(f) Committee) changes. TATA staff continued to work with NAFTA partners to update the rules of origin for that agreement. Commission staff led and/or participated in three separate committees of the WCO. One staff member chaired both sessions of the Harmonized System Committee during the fiscal year. During the FY, substantial advancements were made in the proposed re-design of the process for preparing, updating and publishing the HTS in a manner designed to accelerate and streamline the transfer of tariff information from the HTS to the ITC Tariff Database, the ACE database and other external databases employing HTS-based tariff information. If all goes well, it is expected that the 2008 version of the HTS will be prepared and published using the new procedure. Communications with USTR, congressional committees and the private sector all revealed positive feedback in the ITC’s activities under Operation 4 during the fiscal year.

OPERATION NO. 5: Trade Policy Support

During FY 2008 and 2009, the Commission plans to improve its performance in the provision of expert knowledge and analysis regarding trade related issues to the Congress and the executive branch. The Commission will work to improve the timeliness, complexity, and scope of support provided to Congress and the Administration, to seek improved feedback from customers, and to deliver new products and services that meet the situational needs of its customers. External factors affecting performance of this function include customer requests for assistance, ability to hire staff with appropriate qualifications, and legislative changes. Commission-specific statutes direct the Commission to provide designated support to USTR, as well as to statutorily designated congressional committees.

General Goal

The Strategic Plan establishes a general goal and strategies for Operation No. 5. The general goal is as follows:

Contribute to the development of sound and informed U.S. international trade policy by providing efficient and effective access to Commission expertise. Since many policy decisions are made under tight time frames and in fluid circumstances, the Commission makes its expertise available through technical support and analysis for the executive branch in various international trade fora and directly to the legislative branch in response to inquiries from congressional Members and staff.

The table below sets out the strategies relating to that general goal, and the performance goals and indicators corresponding to those strategies.

Strategies	Performance Indicators ¹	FY 2008 Performance Goals	FY 2009 Performance Goals
1. Provide real-time, efficient, and effective technical analysis and support to organizations involved in trade policy formulation.	a. Number of trade policy issue areas supported by ITC analysis. (ID). b. Development of innovative methods that improve the quality, scope, and/or timeliness of support, or the efficiency with which it is delivered.	a. 80 trade policy subjects supported. ² b. Evaluate electronic delivery methods for recurring requests.	a. 85 trade policy subjects supported. ² b. Evaluate the impact on Commission resources of providing informal trade policy support on increasingly complex issues.
2. Undertake regular independent reviews and assessments of the trade policy support program, or its components, to identify areas for potential improvement.	a. Improvement in the procedures and methods used to produce and deliver support for trade policy formulation.	a. Implement enhancements based on the review of assignment of staff dedicated to USTR and develop a plan for a future review.	a. Evaluate the assignment of staff dedicated to supporting Hill oversight committees, in terms of focus and FTEs.

Notes: 1. In performance indicators, the offices in parentheses are the staff offices responsible for measurement.

2. Requests for support will be influenced by the annual trade policy agenda set by the Administration as well as by congressional activity; ability to respond to all requests for support will be dependent on staffing levels and the level of other, higher priority statutory work in Operation Nos. 1, 3, and 4.

Performance

During FY 2004, 2005, 2006, and 2007 the Commission generally met the performance goals of its Performance Plans:

- In FY 2004, staff experimented with moving from generic performance focus groups to seeking targeted product-specific feedback from customers. In FY 2004, staff also considered means to maximize policy support and keep agency staff abreast of current developments. In FY 2005, staff planned to consider methods by which to track review and comment on policy initiatives moving through the trade policy development system.
- In FY 2005, there was a significant increase in the number of trade policy issue areas upon which the executive and congressional committees sought support from the Commission; in FY 2006, staff will evaluate whether this increase was a temporary up-tick or represents a long-term trend. In FY 2005, staff regularly sought targeted feedback from customers; staff was able to conduct briefing/feedback meetings with USTR in connection with most studies. Feedback was overwhelmingly positive from both USTR and Congress, with some suggestions

of how lessons learned in successful studies could be applied in the future. The primary means of feedback from Congress was by telephone and e-mail, and was more product-specific. Hill staff in particular expressed appreciation for timely and quick-turnaround responses.

- In FY 2006, the Commission demonstrated its wide ranging expertise by responding to requests from congressional oversight committees and USTR which involved well over 100 discrete trade, legal, or competitiveness issues. Efforts to better serve these primary customers have resulted in more timely analysis and counsel, as staff seeks opportunities to provide information using streamlined procedures that minimize bureaucratic steps. These improvements were shaped by staff initiatives to seek timely product-specific feedback from customers. The Commission also dedicated staff to focusing on areas USTR has identified as having significant ongoing need, including the Generalized System of Preferences, negotiation support in the Services and Non-Agricultural Market Access sectors, and trade capacity building. The Commission also significantly increased its commitment of resources to help meet USTR's litigation requirements in international fora.

- In FY 2007, agency staff continued to respond to requests from USTR and the Commission's congressional oversight committees for information to support decision-making on a wide variety of trade policy issues. Despite declining staffing levels during the year in the offices primarily responsible for OP 5 activities, the Commission again responded with information on over 100 different trade issues. Efforts to provide more substantive pre-decisional products through this Operation led to the development of complex work products examining issues such as post-FTA shifts in trade, the historical and projected impact of preferential duty programs, trade in environmental goods and services, and market access concerns. A pilot program to develop an electronic repository for trade negotiation documents wrapped up efforts for the Malaysian FTA negotiations and was demonstrated to USTR staff. Based on their interest, a second phase of the pilot, involving NAFTA documentation, was initiated to develop a broader basis for USTR to evaluate the system's usefulness and their long term interest in the effort. The Commission continued to provide dedicated personnel to support USTR and the oversight committees, balancing the contributions in this Operation with competing demands brought on by high levels of work in other operations, especially Operation 3.