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## Alphabetical Listing of Abbreviations

<b>Acronym</b>	<b>Description</b>	<b>Acronym</b>	<b>Description</b>
AD	Antidumping	IP	Intellectual Property
ALJs	Administrative Law Judges	ISCM	Information Security Continuous Monitoring
CBP	U.S. Customs and Border Protection	IT	Information Technology
Census	U.S. Census Bureau	ITDS	International Trade Data System
CDM	Continuous Diagnostics and Mitigation	MTB	Miscellaneous Tariff Bill
CVD	Countervailing Duty	OIG	Office of the Inspector General
DHS	Department of Homeland Security	SCA	Security Controls Assessments
DMS	Data Management System	TIC	Trusted Internet Connection
EDIS	Electronic Document Information System	The Byrd Amendment	Continued Dumping and Subsidy Offset Act (CDSOA)
ERM	Enterprise Risk Management	TPP	Trans-Pacific Partnership
FY	Fiscal Year	USAGE	U.S. Applied General Equilibrium
GSA	General Services Administration	USITC	U.S. International Trade Commission
GSP	Generalized System of Preferences	WCO	World Customs Organization
HSPD-12	Homeland Security Presidential Directive 12	WTO	World Trade Organization
HTS	Harmonized Tariff Schedule		
HTSA	Harmonized Tariff Schedule of the United States Annotated		

# Introduction

## General Statement

The U.S. International Trade Commission (USITC or Commission) is an independent, quasi-judicial federal agency with several specific responsibilities under U.S. trade laws. Our agency investigates whether imports have materially injured a domestic industry and whether imports infringe U.S. intellectual property (IP) rights. As the role of trade in the U.S. and world economies grows, our investigations of unfair trade practices help U.S. firms compete effectively in a tightly integrated global marketplace. Our issuance of sound and timely import injury decisions (“determinations”) helps strengthen the confidence of U.S. companies and workers that the international trading system is fair and impartial. Moreover, our timely resolution of complex IP disputes is a matter of economic importance to holders of U.S. IP rights. We also give support to U.S. Customs and Border Protection (CBP), when necessary, so that it can effectively enforce the exclusion orders we issue.

In addition, our staff of trade experts provides the House Committee on Ways and Means, the Senate Committee on Finance, the President, and the U.S. Trade Representative with objective analyses of the most significant trade issues of the day. Given our substantial economic and trade expertise, we are able to offer leading-edge insights to Congress and the executive branch that support the development of sound U.S. trade policy. Our reports reflect our expanding ability to examine, analyze, and estimate the effects of policy changes on producers, consumers, employment, wages, and the economy as a whole. In these reports, we analyze the many ways that changes in trade and competitiveness affect the health of the U.S. economy, including employment levels.

Since 1916, we have played a major role in maintaining and analyzing the nation’s tariff schedule—the official document specifying the tariffs that are applicable to imported goods. We ensure that the tariff schedule is up to date and accurate, and that it fully reflects the United States’ implemented trade agreements.

## Mission

In accordance with its statutory mandate, the Commission (1) determines whether imports injure a domestic industry or violate U.S. IP rights; (2) provides independent tariff, trade, and competitiveness-related analysis and information; and (3) maintains the U.S. tariff schedule.

## Activities in Brief

Two strategic goals guide our programmatic activities.

Our first goal is to produce sound, objective, and timely determinations in our trade-related investigations. These investigations fall into two major classes: (1) antidumping and countervailing duty investigations and reviews, and (2) investigations into unfair practices in import trade, which are usually IP-based (“section 337” investigations). In the first type of investigation, we determine whether imports cause or threaten to cause material injury to a U.S. industry. We also determine whether revoking existing antidumping and countervailing duty orders would likely result in continuation or recurrence of material injury to a U.S. industry. In the second type of investigation, we most often adjudicate (investigate and rule on) allegations that U.S. patent rights are being infringed. We typically launch both types of investigations in response to complaints and petitions brought by domestic companies or industries, and conduct them in line with the pertinent statutory and regulatory rules and case law (e.g., patent law as interpreted by the federal courts). Commission determinations in both types of investigations are subject to judicial review.

Our second goal is to produce objective and high-quality analysis of tariff, trade, and competitiveness issues for the executive branch and Congress. Federal decision makers can then use our industry and economic analyses to help inform U.S. international trade negotiations and decisions on trade policy. Under 19 U.S.C. §1332, whenever requested, we must present the House Committee on Ways and Means, the Senate Committee on Finance, the President, and the U.S. Trade Representative with information at our command in any matter related to international trade and industry competitiveness. We are also tasked with maintaining the Harmonized Tariff Schedule of the United States (HTS). We must keep the HTS accurate and up to date so that it meets the tariff and trade information needs of a wide range of users, including CBP staff, U.S. exporters and importers, and decision makers in Congress and the executive branch.

Most requests for both analytic investigations and informal assistance come to us from the House Committee on Ways and Means, the Senate Committee on Finance, and the U.S. Trade Representative. Other investigations are required by statute or self-initiated. Our requestors recognize that, as a result of our economic and trade expertise, we can generate primary data, analyze specific industries, and provide insights unavailable elsewhere. In fiscal years (FY) 2014 and 2015, we responded to a number of requests requiring us to develop new data and analysis on a variety of topics. For example, we issued reports on the role of digital trade in the U.S. and global economies, trade and investment barriers in India, and the competitiveness of the U.S. rice industry. We also issued two reports analyzing proposed changes to tariffs applied to environmental goods. Finally, we began work on evaluating the impact of trade agreements the United States has entered into since 1984, preparing for the assessment of the potential impact of the Trans-Pacific Partnership, and estimating the impact of lifting restrictions on trade with Cuba.

To meet our mission, we must maintain the staff, tools, and other resources needed to conduct fair and efficient investigations, as well as provide high-quality and objective data and analysis on a wide array of issues, covering thousands of industries and nearly all countries. To accomplish this, we need to continue investing in the development of highly skilled analysts, economists, and lawyers, creating new data and databases, collaborating with other organizations to enhance our own research, and acquiring or upgrading advanced analytic tools (such as our economic models and techniques for measuring the impact of nontariff barriers).

Our management goal is to achieve agency-wide efficiency and effectiveness in fulfilling our mission. Detailed performance goals for programmatic and management activities are presented in our FY 2016 and 2017 Annual Performance Plan and Annual Performance Report, which can be found at [https://www.usitc.gov/strategic\\_plan.htm](https://www.usitc.gov/strategic_plan.htm).

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## Budget Highlights

For FY 2017, the Commission requests \$92.9 million to carry out our statutorily mandated functions. The FY 2017 request represents a \$4.0 million, or 4.5 percent, increase over the FY 2016 budget of \$88.8 million. The request is driven by the need to eliminate critical staffing shortages and make essential investments in our human capital; economic research; and information technology (IT), cybersecurity, and infrastructure.

Proposed FY 2017 personnel costs account for about \$1.7 million of the increase over FY 2016 and reflect the increased resources needed to maintain critical FY 2016 staffing improvements and fund the cost of the proposed 1.6 percent pay raise effective January 1, 2017, normal costs for promotions and within-grade increases, and higher benefits costs. Our human capital strategy for FY 2017 focuses on keeping staffing at the levels needed to perform our statutory mission, given the challenges of high caseloads, several major ongoing trade negotiations to support, and new requirements set forth in the 2015 Trade Priorities and Accountability Act.

Proposed non-personnel expenses account for about \$2.3 million of the increase over FY 2016. This amount will pay for needed investments in information technology (IT) infrastructure, equipment, and cybersecurity that will help ensure a secure and efficient network. It will also fund our efforts to expand the research and economic analysis capabilities needed to support requested studies on trade negotiations and trade policy.

## Lease Renewal

Our lease expires on August 10, 2017. We are working with the General Services Administration to finalize an occupancy agreement and prospectus that meet our space requirements. Of particular concern to us is achieving the best value for taxpayers and ensuring adequate space to maintain a public courtroom complex that meets our section 337 caseload and our requirements for hearings in antidumping and countervailing duty and international trade and industry competitiveness investigations. At this point, it is unclear whether the Commission will be able to remain at its current location, which is very near Congress, or be required to move to a new location in the greater metropolitan area. If we are required to move to a new location, we will likely incur additional renovation/build-out costs, which may be as much as \$42.7 million.

## Program Overview

### Antidumping/Countervailing Duty (AD/CVD) Investigations and Unfair Import Investigations (Section 337)

The Commission's trade remedy investigations caseload continues to grow in complexity; AD/CVD investigations remain high and unfair import investigations have stabilized. Our agency provides a venue for private sector firms to bring allegations of certain unfair and/or injurious trade practices involving imports before an independent, objective, and expert quasi-judicial government body.

#### AD/CVD caseload grows

Twelve new petitions were filed under Title VII of the Tariff Act of 1930 in FY 2015, somewhat higher than recent averages. These new filings, combined with ongoing investigations and reviews, resulted in 47 instituted and completed proceedings, the highest levels in the last five years. The majority of petitions filed during FY 2014 involved imports from a single country, with China being the predominant source. In contrast, eight of the twelve petitions filed in FY 2015 involved imports from multiple countries, ranging from two to eight. Domestic industries filing petitions in FY 2015 represented a range of products, including flat-rolled steel, tubular products, chemicals, paper, and ferroalloys.

During FY 2015, we continued to improve our electronic data collection and processing, streamlined questionnaires, and revised our process for collecting other investigative data. We have also increased the availability of web-based content and conducted a forum to collect input from practitioners on potential improvements in the hearing process. During FY 2016, we will continue these efforts to emphasize transparency and lessen the burden on participating parties and our staff. We also anticipate investing in the necessary technology and staff skillsets to develop and manage a database for more complete, timely, and accessible reporting of Title VII investigation information.

#### Unfair import investigations caseload

Our section 337 process offers a highly desired forum where parties may resolve disputes involving imports that allegedly infringe U.S. intellectual property (IP) rights. Our process provides a relatively quick resolution of matters that would usually involve more

protracted litigation in the U.S. district courts. In addition, it supplies unique relief in the form of exclusion of goods at the border. IP-intensive industries account for a large number of high-wage jobs in U.S. industries that generate a trade surplus. Our section 337 workload, while not at the peak level seen in FY 2011, is expected to remain steady. The range of technologies covered in these investigations is quite broad, encompassing such products as smartphones and other wireless devices, smart televisions, semiconductors, wireless headphones, fitness trackers, and other high tech and consumer products. Although section 337 investigations typically involve patent infringement allegations by private firms, the number of investigations based on trade secrets, an area of heightened concern for U.S. companies, the Administration, and Congress, is rising.

We continue to work to ensure that section 337 investigations are completed in a timely way, in line with congressional intent. After several years of putting in place the necessary staff and courtroom resources to handle the section 337 workload, we are now focusing on making the section 337 process more efficient and less costly for both the agency and litigants. Our efforts include rules changes, procedural pilot programs, and substantial investments over the past few years in our Electronic Document Information System (EDIS). Further, in FY 2016 we plan to implement electronic service of documents in EDIS. We have also developed a new, publicly available information system, 337Info, which places more detailed information before the public about investigations instituted since October 1, 2008. 337Info provides scheduling and staffing information for all these investigations, as well as information about the unfair acts alleged for each investigation, how the investigations were disposed of with respect to each party, and information about appeals.

EDIS and 337Info have enhanced management of the Commission's large volume of investigation-related materials and the transparency of our investigative process. These systems are also Open Data compliant, which furthers our efforts to improve the accessibility and usability of our data. Continued funding of these types of improvements will help us address the challenges of resolving section 337 matters in a timeframe that is consistent with congressional targets.

## **Tariff, Trade, and Competitiveness-Related Analysis and Information**

Our agency provides the executive branch and Congress with objective analyses of significant trade issues of the day. We provide industry and economic analysis, tariff and trade information, and trade policy support through formal investigations and informal expert advice. Given our unique economic and trade expertise, we are able to offer leading-edge insights that support the

development of sound U.S. trade policy. We also maintain and update the Harmonized Tariff Schedule of the United States (HTS). U.S. Customs and Border Protection (CBP) relies upon the HTS to collect tariff revenues on imported goods and private firms use it to learn the current and future tariff amounts they will pay on imported goods. U.S. exporters and importers rely on our work in the World Customs Organization to ensure that global tariff product classification (“nomenclature”) is up to date and takes into account U.S. industry interests and changing patterns of trade.

### **We continue to develop new approaches in our industry and economic analysis**

International trade touches nearly all sectors of the U.S. economy. As with section 337 and Title VII investigations, we must constantly develop and refine our capabilities to meet requests for increasingly complex analyses in emerging areas of international trade, trade policy, and competitiveness. When information is not available from other sources, we gather primary data to provide unique analysis of emerging issues, gathering this information through the use of surveys, for example. In other instances, our staff develops new tools or methodologies to craft high-quality economic analysis. As trade agreements have evolved, nontariff issues and concessions have become increasingly important to the analysis of the costs and benefits of such agreements. Determining the impact of such changes is considerably more challenging than examining tariff concessions. We are applying new modeling approaches in ongoing investigations examining the economic effects of the Trans-Pacific Partnership, previous U.S. trade agreements, and trade restrictions in Cuba. We also develop new capabilities by collaborating with other organizations or academic institutions. For example, in our recent investigation of the global rice market, we applied a specialized database and economic model that drew from the work of external experts in order to improve our analysis.

Our work in industry and economic analysis spans a wide variety of issues, including such areas as agricultural policies; global and regional value chains; and the effects of trade and investment barriers, rules of origin, and standards on U.S. businesses, consumers, and trade flows. Our reports also analyze new technologies, industries, and business models, examine the integration of goods and services in production and trade, and evaluate the impact of final offers made by foreign countries taking part in negotiations with the United States. To effectively support the interests of trade policy makers, we must maintain a staff with expert knowledge and skills who will be able to provide unique, relevant, and timely insights on new and fast-evolving sectors of the U.S. economy in the global marketplace.

### **Tariff and trade information services will benefit from new technology and improved business processes**

The HTS provides the foundation for the U.S. trade data maintained by the U.S. Census Bureau (Census) and enables CBP to manage its trade and enforcement activities. We therefore ensure that the HTS is both accurate and up to date so that it meets the demands for trade and tariff information from Census and CBP, U.S. exporters and importers, the Administration, and policy makers in Congress. Due to the size and openness of the U.S. economy and the volume of U.S. trade, the HTS is the most heavily used tariff schedule in the world. Its more than 10,700 tariff lines must be updated and maintained throughout the year to reflect changes from trade agreement implementation and other congressional and Administration actions. Redesigned in FY 2013, this system was developed as an electronic database in FY 2014 and was made available to the public at the beginning of the fourth quarter of FY 2015. We are now redesigning the DataWeb and expect to make it available by the end of FY 2016. As with EDIS and 337Info, the HTS is, and the DataWeb will be, Open Data compliant.

As this makes clear, we respond to changing technology needs in tariff and trade information as well as current and anticipated resource gaps. The information is critical to our own analysis and provides much-needed information for the public. Our appropriation request includes funding to address these issues. The skills needed to support various components of tariff and trade information services (e.g., HTS maintenance, HTS classification, rules of origin assessments, and miscellaneous tariff bill assessments) are unique and can take years to develop. Moreover, many of the agency experts that we rely on for tariff and trade information services are now or soon will be eligible for retirement. We therefore expect human capital planning and recruitment to be a priority over the next few years.

### **Trade policy support may face resource constraints given the ambitious U.S. negotiating agenda**

We draw heavily on staff in all agency program areas to respond to quick-turnaround informal requests on trade policy support from Congress and the Administration. In FY 2015, we provided over 100 rapid responses on a broad array of issues and topics, ranging from technical reviews of proposed laws to IP rights and technical barriers to trade. Our staff is providing technical support to negotiators working on the Information Technology Agreement, the Trans-Pacific Partnership, the Transatlantic Trade and Investment Partnership, the Environmental Goods Agreement, and the Trade in Services Agreement. We supply information, expertise, and software-based tools to support U.S. negotiating teams. Indeed, passage of the 2015 Trade Priorities and Accountability Act is expected to significantly increase the level of trade negotiating activity by the Administration, and consequently significantly increase the level of both informal and formal requests for data and analytical support from the agency.

We are also seeing increasing interest from our customers on nontariff-related trade matters, as well as the significant emerging tradable sectors such as services and digital trade. Moreover, behind-the-border issues related to regulation and services trade require us to refocus our resources, apply new analytic techniques, and develop new trade-related databases. Additionally, we regularly detail staff members to our main customers' offices, where they can support our customers' work while broadening their own skills and experience.

Our customers place a high value on staff's ability to produce objective and independent information and analysis on their most urgent issues. To the extent that we face heavier workloads, more complexity, and staffing challenges in various areas, our ability to respond to these requests will be limited. Staff development is thus a pressing need for us.

## Efforts to Strengthen Information Technology Security

In FY 2017, we will continue to strengthen our security posture by investing in new technologies, processes, and capabilities to meet the requirements of the Federal Information Security Modernization Act of 2014. Improvements include:

- Expansion of our Information Security Continuous Monitoring (ISCM) efforts to monitor our network security, which we will achieve primarily by leveraging the Department of Homeland Security's (DHS) Continuous Diagnostics and Mitigation (CDM) Program resources;
- Continuing independent Security and Privacy Controls Assessments of our systems to ensure security controls are implemented correctly, operating as intended, and produce the desired outcome for security requirements; and
- Ensuring timely detection and reporting of cyber incidents

We made significant progress towards milestones for deploying Homeland Security Presidential Directive 12 (HSPD-12), which establishes a government-wide standard for authorized access to federally controlled facilities and networks. Also, our Trusted Internet Connection (TIC) implementation is under way and is scheduled for deployment in August 2016. The TIC will provide enhanced monitoring and situational awareness of our external network connections.

### **Senate Report 114-130: Cybersecurity Resources**

Senate Report 114-130 instructs the Commission to "...prioritize efforts to improve its cybersecurity posture, and...encourages USITC to work with other relevant Federal agencies to inform its actions." Our FY 2017 budget request contains approximately \$1.8 million for cybersecurity resources. The current cybersecurity budget assumes we will use existing commercial products and tools to prevent, detect, and respond to security threats and vulnerabilities. About \$675,000 of the cybersecurity budget will be used to prevent malicious cyber activity by investing in security controls assessments via inter-agency agreement with the Department of Health and Human Services and ISCM via the DHS CDM program. USITC is coordinating with DHS for yearly use of their Risk and Vulnerability Assessment service, which includes penetration testing and e-mail phishing assessment.

### **Replication of headquarters data center capabilities offsite**

In June 2015, the Commission began converting the disaster recovery site into the agency's primary data center and adding a second data center. Moving to an offsite data center is a private industry and government-wide best practice and is critical and time-sensitive for our agency, given the constraints of our building's power, telecommunications, and HVAC infrastructure.

Expanding the scope of the disaster recovery facility to manage 100 percent of the agency's functionality will address the above problems and mitigate ongoing risks. We anticipate achieving at least 80 percent replication of the agency's functionality at the disaster recovery facility by the end of FY 2016. Our FY 2017 budget request contains \$2.4 million for replication of the remaining 20 percent and to begin the procurement of a second offsite data center.

## **Risk Management, Planning, and Internal Control Efforts**

Federal leaders and managers are responsible for establishing strategic goals and objectives, complying with relevant laws and regulations, managing risks, and creating sustainable value for stakeholders. To meet these responsibilities, management must establish, maintain, monitor, evaluate, and report on the agency's performance, risk management, and internal control processes.

Risk management processes should be forward-looking and designed to help the agency effectively plan, make good decisions, alleviate threats, seize opportunities, and meet agency goals and objectives. Internal control is the process used to help the agency

achieve its strategic goals and objectives concerning effective and efficient operations, reliable reporting, and compliance with laws and regulations.

During FY 2015, we completed the development of our enterprise risk management (ERM) framework, which identifies, prioritizes, and manages institutional risk at all levels of the agency. Moreover, agency managers are integrating ERM principles into their performance planning and budget formulation processes. As we further integrate enterprise risk management concepts into our strategic planning and budget processes, we will continue to improve our performance and decision making and better effectuate our strategic plan.

We also are committed to continuing our efforts to develop and maintain an effective system of internal control. Internal control management affects all areas of the organization at the agency-wide and office-specific levels, including our administrative, programmatic, IT, security, compliance, and financial activities. This system is expected to be a multiyear initiative that will incorporate ERM processes while transforming our management structure and culture.

We recognize the importance of, and made progress toward, establishing meaningful risk management and internal control programs over the past several years. The Commission adopted a number of practices to advance the agency's understanding and use of internal controls. Specifically, over the past several years, we introduced internal control into new and existing processes, and implemented annual evaluations of our office-level and agency-wide controls. We have also set annual performance goals designed to improve and reinforce internal controls.

We are committed to improving our internal controls in the future, and will build upon the aforementioned organizational changes and enhanced internal control initiatives to make significant progress in this area in the years to come.



# Appropriation Language

## 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 \$2,250 for official reception and representation expenses, \$92,866,000 to remain available until expended.”*

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## Trade Remedy Investigations

Our agency plays an important role in administering and applying U.S. trade remedy laws by conducting several types of investigative proceedings. These focus on allegations of subsidized and dumped imports that injure a domestic industry; surges of imports that injure a domestic industry; imports that infringe domestic intellectual property (IP) rights; and other unfair acts that injure a domestic industry.

Our first strategic goal is to produce sound, objective, and timely determinations in trade remedy proceedings. Our work is critical to maintaining the international competitiveness of U.S. businesses, as well as the confidence of U.S. companies and workers in a fair and impartial global trading system. Moreover, our timely resolution of complex intellectual property (IP) disputes (section 337 disputes) can be of paramount economic importance to persons and companies holding U.S. IP rights.

## Import Injury Investigations

The Commission conducts statutory investigations to determine whether unfairly traded imports cause or threaten material injury to a U.S. industry, or materially retard an industry's establishment, in accordance with Title VII of the Tariff Act of 1930.<sup>1</sup> Under this law, unfair imports can be remedied through antidumping or countervailing duty (AD/CVD) orders on the goods in question, which are administered by the U.S. Department of Commerce. We conduct five-year reviews of existing AD/CVD orders to decide whether their revocation would be likely to cause continuation or recurrence of material injury to a U.S. industry. We have independent legal authority to defend our decisions in appeals to the U.S. Court of International Trade and the U.S. Court of Appeals for the Federal Circuit, as well as in proceedings under the North American Free Trade Agreement (NAFTA). We also give extensive assistance to the U.S. Trade Representative in resolving disputes before the World Trade Organization (WTO).

Unfair imports, whether subsidized by the home government or “dumped” for sale at below-market prices or the cost of production, can distort trade and undermine U.S. companies in the marketplace. Congress enacted the AD/CVD laws to give U.S. producers and

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<sup>1</sup> Under section 201 of the Trade Act of 1974, we conduct global safeguard investigations and determine whether increased imports are a substantial cause of serious injury to the domestic industry producing the subject product. No global safeguard investigations have been conducted since 2001.

labor unions a process to obtain remedies when we find material injury by reason of imports that the U.S. Department of Commerce has determined to be unfairly traded. The remedies take the form of AD/CVD duties equivalent in value to the dumping margin or subsidy rate found for foreign producers by the Department of Commerce. The laws, and our role in carrying them out, are valued by U.S. manufacturers of a wide range of products as well as their workers.

Historically, antidumping and countervailing duty petitions have covered a broad range of products representing many sectors of the economy. These petitions can cover finished goods or intermediate products such as steel and chemicals. In FY 2015, the Commission instituted investigations covering six steel products: three different forms of flat-rolled steel (hot-rolled, cold-rolled, and corrosion-resistant) and three forms of tubular products (line pipe, rectangular pipe, and stainless steel pressure pipe). In addition, the Commission instituted investigations covering three different chemicals, two paper products, and one ferroalloy used in steel production. The Commission also completed several investigations instituted in FY 2014, including cases covering electrical steel, sugar, certain crystalline silicon photovoltaic products, and passenger vehicle and light truck tires.

The majority of petitions filed during FY 2014 involved imports from a single country, with China being the predominant source. In contrast, eight of the 12 petitions filed in FY 2015 involved imports from multiple countries, ranging from two to eight. Collectively, AD/CVD investigations resulting from petitions filed in FY 2015 involved about \$66.5 billion in U.S. consumption, \$8.5 billion in subject imports, and more than 36,000 U.S. production employees.

To conduct import injury investigations, we assemble multidisciplinary teams that compile information from a number of sources, including questionnaire responses from domestic and foreign firms, plant tours, testimony at conferences and USITC hearings, and legal briefs from parties. Our staff prepares a fact-based report upon which the Commissioners rely to make their determinations. Interested parties' representatives have access to all the information we examine. All hearings and votes are open to the public, and public versions of reports and opinions are available on our website, providing useful information to companies and individuals.

Our investigative processes are fair and transparent. We ensure that investigative records are complete and contain information from all parties so we can make sound determinations that can withstand judicial scrutiny. Nonetheless, we are always seeking to improve our processes in terms of speed, efficiency, and technical soundness. In FY 2015, we continued to improve our electronic data collection and processing, streamlined the questionnaires that we use to collect primary data on the industries under

investigation, and revised our process for collecting other investigative data. And while we met our timeliness goals in FY 2015, we plan to continue to upgrade our investigative process to increase efficiency, reduce burdens and costs for industry participants, and improve the accessibility of import injury investigation data and information. In FY 2015, we issued a survey to outside counsel to gather suggestions for improving how we collect and process questionnaire data and have taken steps to improve the interface between company spreadsheets and the agency's electronic questionnaires. We will continue to review this process in FY 2016 and have the goal of reducing the burden on firms.

Over the course of FY 2015, the agency increased the availability of web-based content and conducted a forum to collect input from practitioners on potential improvements in how we conduct investigative hearings. During FY 2016, we will continue these efforts to emphasize transparency. We also anticipate investing in the necessary technology and staff skillsets to develop and manage a database for more complete, timely, and accessible reporting of Title VII investigation information.

Our workload in import injury investigations is a function of both new filings and reviews of existing orders; estimating the number of future filings is more difficult than estimating the number of future reviews. For FY 2016 and 2017, we project a relatively high overall caseload for import injury investigations (new filings and reviews), anticipating 50 investigations instituted in FY 2016 and 46 in FY 2017. Overall caseload fluctuates from year to year and was as low as 32 in FY 2010. Since then, the number of investigations instituted has increased irregularly and will reach an expected high of 50 in FY 2016.

The overall number of reviews instituted is projected to remain steady in FY 2016 and 2017, reflecting in part the number of new orders put into effect since 2000.

Another significant portion of our workload in this area is litigation challenging our determinations. This litigation is conducted at the U.S. Court of International Trade, the U.S. Court of Appeals for the Federal Circuit, and binational review panels under NAFTA. In addition, our staff assists the U.S. Trade Representative in WTO disputes involving either our import injury determinations or injury determinations made by other WTO members that bear on U.S. products.

In FY 2015, 58 percent of final determinations in original investigations were appealed and 10 percent of full sunset review determinations were appealed. In addition, four decisions by the U.S. Court of International Trade affirming Commission determinations were appealed to the U.S. Court of Appeals for the Federal Circuit. At the close of FY 2015, there were 12 challenges

to USITC import injury determinations pending in U.S. courts, one matter pending before a NAFTA Chapter 19 binational panel, and one pending under the dispute settlement procedures of the WTO. In addition, there was one pending remand investigation resulting from litigation. There were also four cases pending in the U.S. courts challenging the actions of the USITC and U.S. Customs and Border Protection under the Continued Dumping and Subsidy Offset Act of 2000 (the “Byrd Amendment”)<sup>2</sup>.

For FY 2016 and 2017, we project that the number of new appeals challenging our import injury determinations will be at levels at least as high as those of recent years, reflecting the historical rate of appeals, the projected number of new petitions, and the number of active investigations that have been or will be completed in FY 2016 and 2017 . We expect that the number of Byrd Amendment cases will continue to decline, in light of the repeal of that amendment and exhaustion of appeals in the existing cases.

Trends in the investigative caseload and caseload estimates for FY 2016 and 2017 are shown below.

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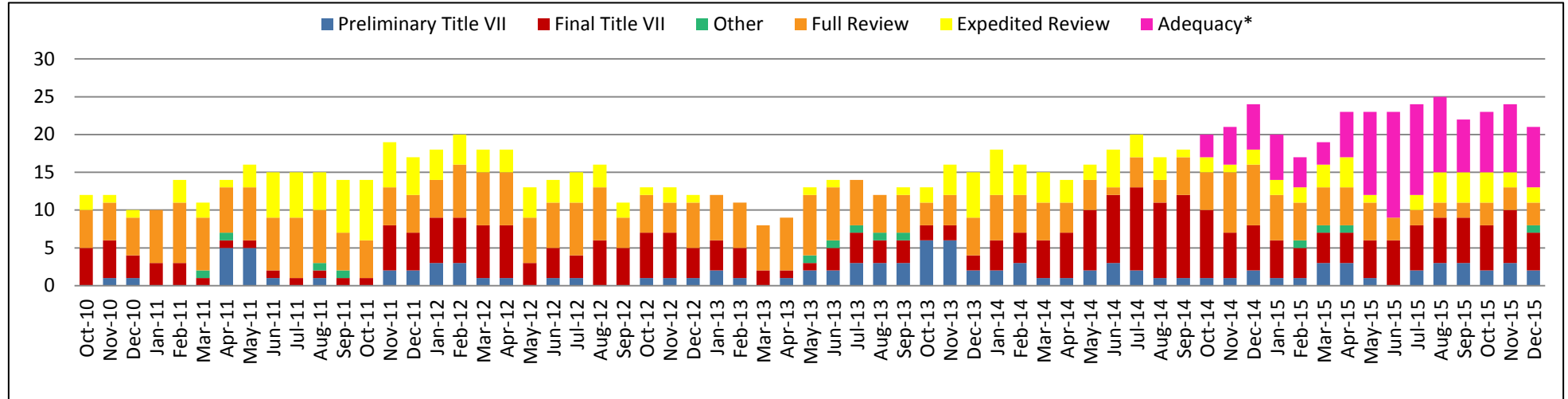
<sup>2</sup> The Deficit Reduction Act of 2005 repealed the Byrd Amendment with respect to duties on entries of goods made and filed on or after October 1, 2007, although litigation continues on a number of appeals. See Pub. L. No. 109-171, 120 Stat. 4, 154 (2006).

# Import Injury Investigations Caseload

## Instituted & Completed Investigations

	Instituted							Completed						
	FY 2011 Actual	FY 2012 Actual	FY 2013 Actual	FY 2014 Actual	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate	FY 2011 Actual	FY 2012 Actual	FY 2013 Actual	FY 2014 Actual	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Preliminary Title VII	8	8	13	9	12	11	10	8	7	9	13	11	13	10
Final Title VII	2	12	5	15	10	13	10	6	8	7	9	12	13	12
Other	2	0	1	0	1	2	1	2	0	1	0	1	2	1
Full Review	12	7	10	7	8	13	13	9	9	10	7	9	10	10
Expedited Review	19	9	9	11	16	11	12	12	17	3	15	14	12	15
<b>Total</b>	<b>43</b>	<b>36</b>	<b>38</b>	<b>42</b>	<b>47</b>	<b>50</b>	<b>46</b>	<b>37</b>	<b>41</b>	<b>30</b>	<b>44</b>	<b>47</b>	<b>50</b>	<b>48</b>

## Monthly Active Caseload



\*The agency realigned its workload for five-year reviews in FY 2015, shifting a substantial portion of work to the adequacy phase of these proceedings, prior to a determination to conduct a full or expedited review. Beginning in FY 2015, active five-year reviews in their adequacy phase are presented separately and designated "Adequacy." See linked data set.

## Unfair Import Investigations

The USITC investigates unfair methods of competition and unfair acts involving imported articles under section 337 of the Tariff Act of 1930. These investigations typically involve alleged infringement of statutory IP rights, primarily patent rights. Intellectual property is a key driver of the U.S. economy and a critical element in U.S. competitiveness, and we play an important role in protecting it. Section 337 investigations give U.S. IP rights owners benefits that are not available elsewhere. For example, the primary relief we offer—exclusion of goods at the border—is not available in the U.S. district courts. Moreover, we have earned a reputation for the fair and speedy adjudication of complex IP disputes as well as for expertise in resolving them.

As a result, many IP rights holders, particularly in industries where the product life cycle is short, have come to see us as a vital resource for the redress of IP infringement. This interest is reflected in the unfair import investigation filings in recent years and in the significant percentage of the patent trials held in the United States that are conducted at the USITC. While there has been a decline in new filings from the peak in FY 2011, we expect that the unfair import investigation caseload in FY 2016 and 2017 will remain steady and that the hearings in these proceedings will continue to account for a substantial share of the patent infringement trials conducted in the United States.

To adjudicate section 337 investigations, our administrative law judges (ALJs), in accordance with the Administrative Procedure Act, conduct conferences and hearings, issue initial determinations, and facilitate settlement agreements. Our Office of Unfair Import Investigations reviews complaints before they are instituted, advises the Commissioners on instituting investigations, participates (when appropriate) as a party to proceedings, and aids in facilitating settlements. The ALJs' initial determinations are subject to discretionary modification or adoption by the Commissioners, and the Commission's final determinations regarding alleged section 337 violations can be appealed to the U.S. Court of Appeals for the Federal Circuit. The Office of the General Counsel provides advice to the Commissioners during the process and defends the agency's final decision during any subsequent appeals.

The spectrum of products and IP rights at issue in section 337 investigations is quite broad. However, the docket has been and will likely continue to be dominated by investigations involving the importation of sophisticated electronic devices, such as smart phones and smart televisions. There is substantial overlap between the industries that dominate our IP docket and the four industries



determined in a Department of Commerce study to be the most patent-intensive industries in the United States.<sup>3</sup> The study found that these four industries account for about 850,000 U.S. jobs. Additionally, the study found that the wages of private sector workers in IP-intensive industries were 42 percent higher than those of workers in non-IP-intensive industries, with the difference even higher for workers in patent-intensive industries. The Global Intellectual Property Center of the U.S. Chamber of Commerce recently estimated that, in general, IP-intensive industries employ 55 million Americans.<sup>4</sup> The Commission's IP enforcement efforts may thus contribute to strengthening the U.S. economy and employment.

Since at least FY 2006 there has been a steady number of investigations involving alleged misappropriation of trade secrets in connection with imported goods. This steady stream will likely continue, if not increase, in FY 2016 and 2017. The recent focus in both the executive and legislative branches on the protection of trade secrets highlights the importance of this part of our docket.

As mentioned earlier, one of our strategic goals is to produce sound, objective, and timely determinations in our investigative proceedings. The rapid resolution of section 337 disputes is particularly important to patent holders because the duration of patents is limited. Speed is even more crucial when disputes involve high-technology products that tend to have short commercial life cycles. Thus, in accordance with congressional intent, we strive to conclude our unfair import-based investigations in as short a time as possible. This goal has been a challenge in recent years because of the high number of ongoing investigations compared to the historic norm. We are examining various options to shorten the length of investigations to provide more expeditious resolution.

We regularly take steps toward making our section 337 investigations more expeditious, efficient, and cost-effective, for both ourselves and for litigants, and are continuously considering additional initiatives. During FY 2015, we sought public comment on proposed rules that are designed to improve the speed and efficiency of our proceedings. These proposals include codifying our early disposition pilot program (under which, in selected investigations, the ALJ decides a potentially dispositive issue within the first 100 days of the investigation) and severing investigations with unrelated patents and technologies into multiple investigations. We will ensure that, if promulgated, these new rules will meet statutory requirements, provide due process to litigants, allow us to build

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<sup>3</sup> U.S. Department of Commerce, Intellectual Property and the U.S. Economy: Industries in Focus, March 2012. The top four patent intensive-industries are computer and peripheral equipment, communications equipment, semiconductor and other electronic components, and other computer and electronic products.

<sup>4</sup> Global Intellectual Property Center, U.S. Chamber of Commerce, Why is IP important? (Dec. 15, 2015, 4:38pm), <http://www.theglobalipcenter.com/resources/why-is-ip-important/>

sufficient factual records, and maintain quality decision making. We also proposed rules that would better align section 337 subpoena practice with that of the federal courts.

During FY 2015 we began evaluating the effectiveness of certain pilot programs, including our 100-day early disposition program, our initial case management pilot program (under which the parties are required to produce certain information early in an investigation), and an eDiscovery case management pilot. The purpose of the latter two programs is to reduce costs and curb the potential for abuse of discovery in our investigations.

We are also assessing ways to improve the effectiveness of the remedial orders we issue. In FY 2015, we announced a pilot program to test the use of expedited modification and advisory opinion procedures to evaluate and rule on redesigned and new products potentially covered by our remedial orders. The pilot program was launched in response to concerns raised by U.S. importers, would-be importers, and intellectual property rights holders in recent years, who are concerned about how they can obtain timely, transparent, and binding decisions on whether new and redesigned products are covered by a USITC exclusion order, cease and desist order, or consent order. While modification and advisory opinion proceedings have been available for years, we are seeking to improve and expedite them to better meet the needs of those affected by remedial orders.

We have also been working on initiatives to improve our ability to report data involving section 337 investigations and improve the transparency of our data to the public. At the end of FY 2014, we launched 337Info, a new searchable database providing data on investigations instituted since October 1, 2008. Accessible from our website, 337Info offers members of the public easy access to information on scheduling, parties, patents at issue and unfair acts alleged in the investigation, staff assigned to the investigation, disposition of the investigation, and any appeals. We are also now using this information system to generate statistics to respond to internal and external inquiries about section 337. In FY 2016, we anticipate making section 337 statistics regularly available through an enhanced website interface.

We continue to foster settlements in our section 337 investigations, including through our mediation program; settlements reduce the number of investigations in which we must make final determinations and conserve resources of both litigants and the agency.

Below is a table displaying the number of recent section 337 determinations and pending appeals year by year. During FY 2015, there were 24 active section 337 litigation appellate matters pending. At the close of FY 2015, there were 16 section 337 litigation appellate matters pending. This litigation absorbs a significant share of employee resources in our Office of the General Counsel.

	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
<b>No. of Final Determinations</b>	22	17	22	21	18	11
<b>No. of Appeals</b>	14	9	17	13	17	16

For FY 2016 and 2017, we project that the number of new appeals challenging section 337 determinations will remain at levels similar to those of recent years, reflecting the historical rate of appeals and the projected filings.

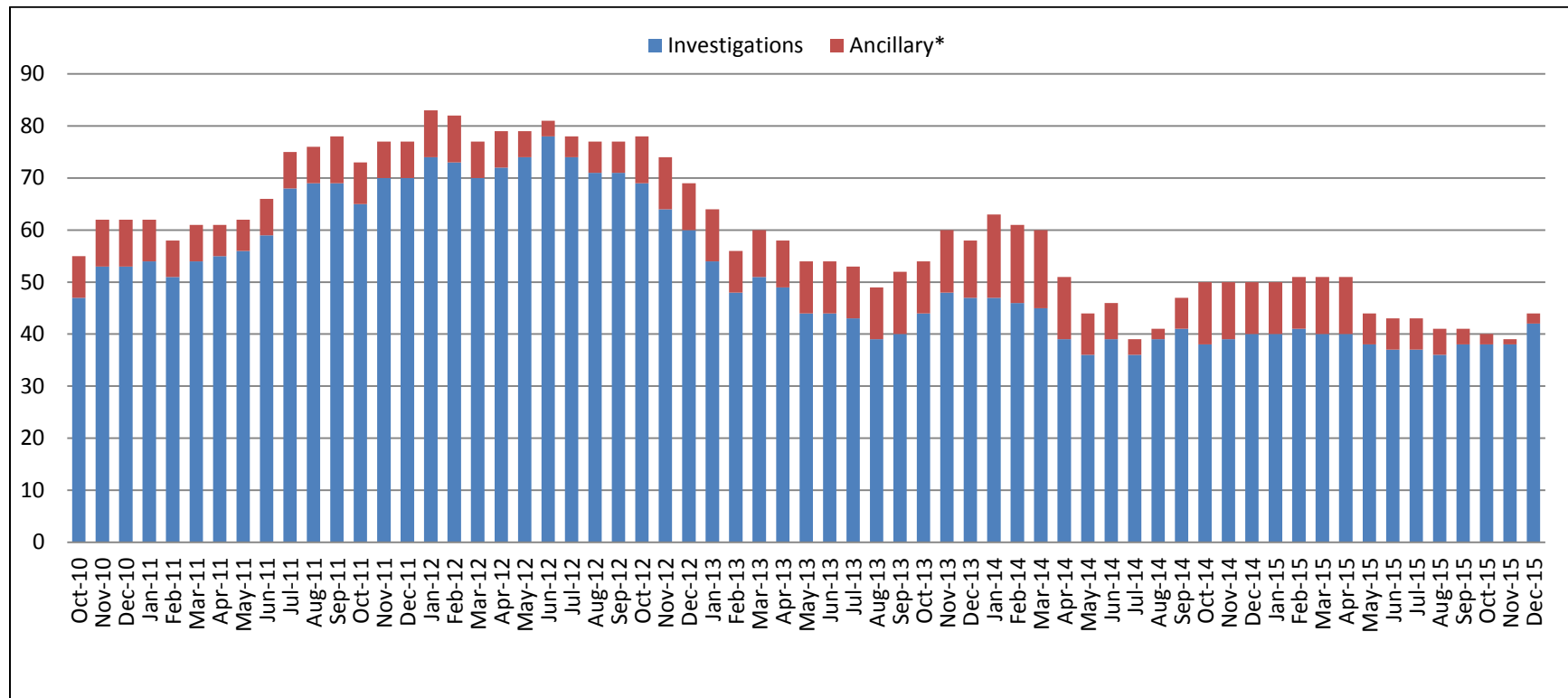
Trends in the investigative caseload and caseload estimates for FY 2016 and 2017 are shown below.

## Unfair Import Investigations Caseload

Instituted & Completed Investigations

Status	FY 2011 Actual	FY 2012 Actual	FY 2013 Actual	FY 2014 Actual	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Instituted	78	56	52	49	47	47	47
Completed	58	57	72	59	50	48	48

Monthly Active Caseload



\*Ancillary investigations include petitions for modifications and/or rescissions, requests for advisory opinions, Federal Circuit remands, or enforcement proceedings. See linked data set.

# Tariff, Trade, and Competitiveness-Related Analysis and Information

To fulfill our agency's mission, we must give timely, objective, high-caliber information and analysis to federal policy makers to help them in negotiating trade agreements and in evaluating the effect of legislation or other trade policy actions on the U.S. economy and industry competitiveness.

We have statutory responsibilities to provide information at our command to Congress and the President, who has delegated request authority to the U.S. Trade Representative. In response to these policy makers' requests, we supply independent research on numerous topics, both through formal investigations (industry and economic analysis investigations) and informal expert advice (trade policy support). To ensure that we develop and maintain the technical expertise needed for this work, we also identify and research priority areas in international trade, industry competitiveness, and the U.S. and global economies. With the exception of requested confidential studies, we offer industry and economic analysis and research to the public.

As noted earlier, we also publish and maintain the Harmonized Tariff Schedule of the United States (HTS), which serves as the basis for collecting customs duties, compiling trade data, and formulating many trade actions. The HTS plays a significant role in developing the international system of product classification, or nomenclature, for goods in trade.

## Industry and Economic Analysis

### Investigations

We conduct investigations on a wide range of international trade and competitiveness issues that are of interest to U.S. policy makers and affect firms, industries, and consumers. The industry and economic analysis investigations we conduct may be presented in either confidential or public reports. Authority for most of our investigations is granted in section 332 of the Tariff Act of 1930, but also by various implementation statutes for specific trade agreements, and by several general trade statutes. These investigations primarily fall into three broad categories:

- General fact-finding and analytic investigations
- Investigations examining the probable economic effect of proposed trade policy changes
- Assessments of negotiated trade agreements

External events that impact U.S. international trade and domestic competitiveness shape our requestors' requirements and interests. Consequently, the nature, timing, and complexity of requests for these investigations are unpredictable and lead to large variation in the level of resources required to complete any specific investigation. Resource requirements depend on such factors as the scope and scale of trade agreements, the nature of global competition in specific sectors or with certain trading partners, emerging interests of policy makers in both the executive and legislative branches, and the level of public information available related to the request. The interplay of these factors, as well as their uncertainty, makes accurate forecasting of future workloads challenging.

Our industry and economic analysis is widely considered to be expert and objective, and is routinely cited by parties representing all sides in trade debates. Our ability to collect, compile, and assess unique data is widely sought by industry and policy makers. Trade policy makers rely on us for authoritative information on trade and competitiveness-related issues to support informed decision making.

Our studies often focus on issues that affect U.S. trade or important parts of the U.S. economy. Recent examples include the following:

- Examining the effect of including additional products in the environmental goods trade agreement
- Analyzing changes to India's trade, investment, and industrial policies and their effects on U.S. industries
- Investigating the U.S. rice industry's global competitiveness

Our customers rely on us to produce expert analysis of the global competitiveness of U.S. industries or U.S. trade with specific countries or regions. For instance, our 2015 India report examined the status of barriers to imports and inbound investment flows

affecting U.S. industries trying to do business in the world’s seventh largest economy. The Commission also analyzes specific industries that account for a sizable share of U.S. economic activity and trade. In FY 2015, the rice investigation looked at global competitive conditions for a domestic industry that routinely exports over \$2 billion of product annually.

Customers also rely on us to provide expert information about the effect of narrowly focused policy changes—such as those affecting rules of origin or tariff preference programs—on specific, often narrowly defined products. Recently completed or ongoing examples of such work include reports on changes to the Generalized System of Preferences program, the Caribbean Basin Economic Recovery Act, the operation of the Dominican Republic Earned Income Allowance Program, as well as the aforementioned detailed information on goods included in the environmental goods agreement negotiations.

The schedules for requested investigations often overlap with each other and with mission-critical work in other investigative areas. Moreover, requests often require us to use new analytic methods; collect and analyze unique primary data obtained through sector-specific questionnaires; and/or research and analyze new industries, competitive conditions, or trade barriers. During FY 2015, our employees handled multiple industry and economic analysis projects in tandem with other work projects required by statute (import injury investigations, trade policy support, tariff and trade information services). We dedicated nearly 29 work years, or approximately \$3.9 million, in personnel costs to industry and economic analysis investigations, a significant decline from 36 work years in FY 2014. The decline was the result of several factors, including high vacancy rates in our investigative offices, fewer studies requiring large-scale statistical surveys, increased resource requirements for unfair trade cases, and the postponement of some study requests to allow the agency to focus resources on preparing for an assessment of the Trans-Pacific Partnership (TPP) Agreement. For FY 2016 and 2017, we anticipate the workload for industry and economic analysis will rebound to more historical levels. A list of FY 2015 economic and analysis publications is included in our FY 2015 Annual Performance Report.

## **Workload Expectations in FY 2016 and 2017**

In FY 2016 and 2017, we expect the number of new investigations to return to levels similar to those of 2011-2014, given the active trade policy agenda of the executive and legislative branches. In both fiscal years, one to two requests are expected to require us to develop, administer, and analyze responses to questionnaires, drawing a relatively large amount of agency resources. In addition to requests from our statutory customers, the 2015 Trade Priorities and Accountability Act directs us to undertake new research

efforts. We will continue to advance our use of electronic survey tools and methods, which have contributed to productivity gains in recent questionnaire-based investigations. In addition, during both FY 2016 and 2017, we will continue to enhance the online user interface of multiple recurring reports, such as the *Year in Trade*, *Shifts in U.S. Merchandise Trade*, and *Recent Trends in U.S. Services Trade*. Our staff periodically discusses these reports with the requestors to ensure their continued interest in the information provided or to furnish added information to meet emerging needs.

For FY 2016, in addition to the recurring reports, we anticipate responding to requests or statutory direction for several new reports providing unique data and analysis. The reports will inform federal policy makers' efforts in international trade negotiations or in developing domestic policy. Reports already completed, underway, or expected in FY 2016 include:

- *Trade, Investment, and Industrial Policies in India: Effects on the U.S. Economy*
- *WTO Environmental Goods Negotiations: Advice on the Probable Economic Effect of Providing Duty-Free Treatment, Second List of Articles*
- *Cuban Imports of Goods and Services: Effects of U.S. Restrictions*
- *Economic Impact of Trade Agreements Implemented Under Trade Authorities Procedures, 2016 Report*
- *Trans-Pacific Partnership Agreement: Likely Impact on the U.S. Economy and on Specific Industry Sectors*
- *Probable Economic Effect of Certain Modifications to the DR-CAFTA Rules of Origin*
- *Generalized System of Preferences: Possible Modifications, 2015 Review*
- *Probable Economic Effect of Certain Modifications to Rules of Origin for Imports from Chile*

We anticipate a robust analytic workload in FY 2016 and 2017 and have a performance goal of expanding our capability to anticipate and address new areas of economic and industry analysis. To achieve this goal, we will focus our research and data development work in high-interest areas like:



- Advancing our modeling capabilities in areas such as improving projections of economic growth in the U.S. and global economies, updating our framework for the analysis of the probable economic effects of trade agreements, improving our ability to model supply chain interactions and estimate global valued-added trade, and differentiating effects of trade policies on different types of sectors, industries, and firms
- Expanding analysis of issues in areas such as the economic and trade effects of energy markets, technologies, and related services; nontariff barriers both at and behind countries' borders; regulatory harmonization; digital trade; trade facilitation and customs issues; and the effects of trade and trade policy on U.S. workers
- Increasing our capabilities and knowledge concerning trade-related agreements

Such preparatory work expands our expertise and can help us respond effectively and efficiently to requests for analytic investigations, while also contributing to our work in import injury cases, tariff schedule maintenance, and trade policy support. These high-interest areas tend to require information and tools that are not readily available. Moreover, such work often requires significant staff resources to refine existing analytic tools or develop new ones. Our research agenda has kept us at the forefront of emerging analytic areas, such as quantifying a wider variety of nontariff measures; assessing trends in trade-reliant industries; analyzing the growth of digital trade and its impact on a growing range of industries; and evaluating the impacts of government policies, such as intellectual property regimes, on trade. Further, the passage of the 2015 Trade Priorities and Accountability Act will have an impact on our staffing needs because it may increase the level of trade negotiating activity by the Administration and the need for both informal and formal requests for research and analytical support from the Commission. Ongoing dedication of resources is necessary to support such work in order to maintain the world-class quality of our products.

External factors that are likely to influence the scope and number of requests for analytic investigations in FY 2016 and 2017 include:

- The negotiation/conclusion/implementation of several trade agreements (e.g., the TPP; the European Union-United States Trade and Investment Partnership; the Environmental Goods Agreement; the Trade in Services Agreement; expansion of the Information Technology Agreement), as well as requirements set forth in the 2015 Trade Priorities and Accountability Act

- Interest by trade policy makers in new technologies, industries, and business models (e.g., digital trade, advanced manufacturing, the effects of changing energy markets on U.S. competitiveness, the evolving interplay of services and manufacturing activities)
- Ongoing changes to existing trade policies, such as changes to rules of origin for existing free trade agreements or amendments to trade preference programs
- Interest in sector-specific analysis of U.S. industry competitiveness
- Challenges and opportunities presented by shifting trade patterns and economic relationships between the United States and countries such as China, Brazil, India, and members of the Organisation for Economic Co-operation and Development (e.g., competitive pressures in specific industries)
- Fluctuations in the number of miscellaneous tariff bills and amount of nomenclature work

To respond to these requests effectively and efficiently, we must recruit, develop, and maintain a high level of industry, regional, and economic expertise. Skilled personnel are our single most important resource. Staff research and external communication and collaboration are vital to honing staff skills, as well as developing information and analytic tools for use in customer-requested investigations. We conduct these activities under the broad authority of sections 332(a) and (b) of the Tariff Act of 1930, often publishing our findings as articles or in presentations at international meetings of experts and multilateral institutions. We also develop expertise and make our research available through direct interaction with many international and domestic agencies, at academic gatherings, and with private sector associations. These activities offer us an important forum for external technical review of new analytic approaches and often suggest new, relevant areas of potential interest. Staff travel is often necessary to share and gather knowledge from domestic and international experts, as well as to conduct critical field research for investigations.

We also invest funds to ensure we can respond efficiently and effectively to customer requests through the continuous acquisition, development, and improvement of analytic tools, information resources, and research methods, including survey methods and statistical, econometric, and simulation analyses. These funds are primarily spent on information databases, expert consulting services, and specialized software. In particular, staff are collaborating with outside experts to update models to better estimate the

effects of policies affecting energy markets, dairy markets, sales by U.S. affiliates abroad, and income distribution in U.S. households. Significant advances also continue to be made with respect to understanding nontariff measures, supply chains, restrictions to trade in telecom services, trade in environmental goods, and trade agreements such as the North American Free Trade Agreement and the TPP. During FY 2016 and 2017, we will continue to invest in both our human capital and other resources to ensure our ability to provide high-quality tariff, trade, and competitiveness-related analysis and information to policy makers in both the legislative and executive branches.

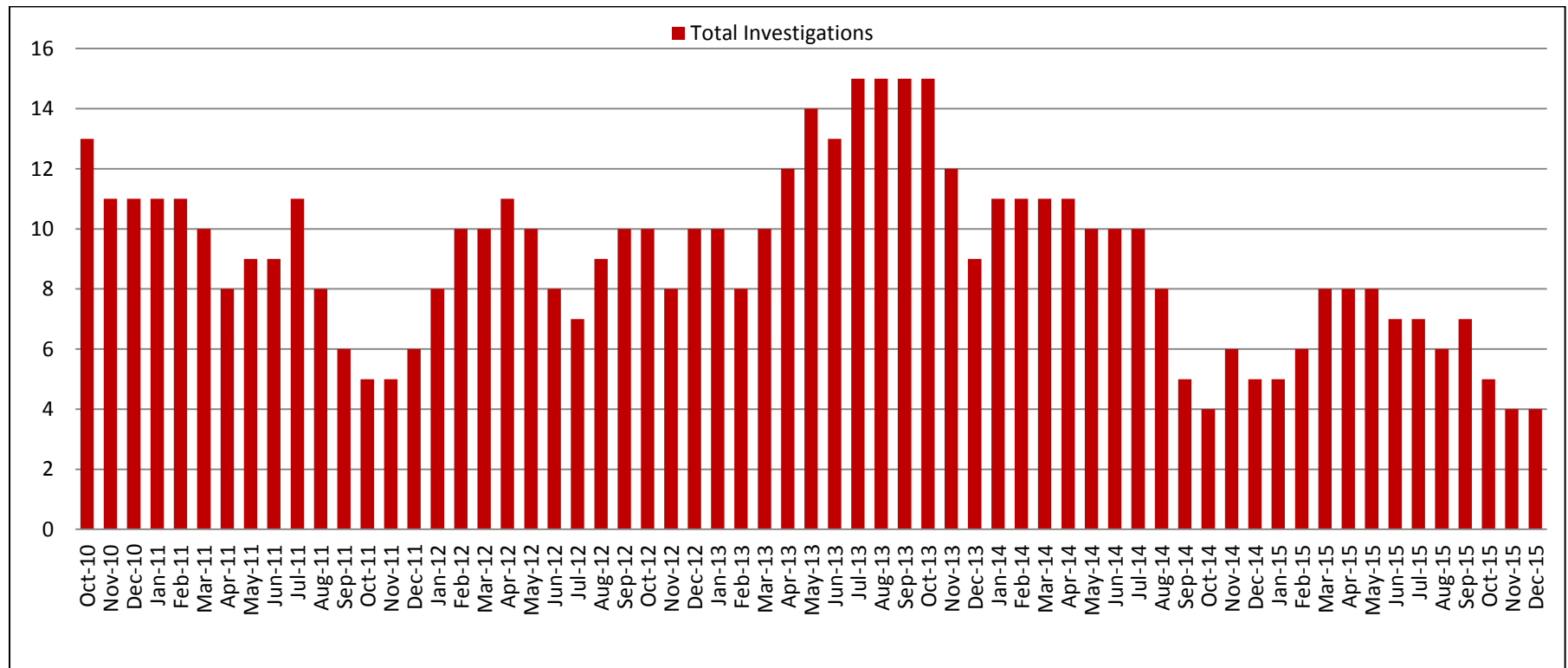
Trends in the investigative caseload and caseload estimates for FY 2016 and 2017 are shown below.

## Industry and Economic Analysis Investigations Caseload

### Instituted, Completed, & Active Recurring Investigations

Status	FY 2011 Actual	FY 2012 Actual	FY 2013 Actual	FY 2014 Actual	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Instituted	8	9	10	8	5	9	9
Completed	11	6	12	10	9	9	9
Active Recurring	8	6	8	7	6	6	6

### Monthly Active Caseload



See linked to data set.

## Tariff and Trade Information Services

The USITC maintains and publishes the Harmonized Tariff Schedule of the United States (HTS) under the Tariff Act of 1930 and Section 1207 of the Omnibus Trade and Competitiveness Act of 1988 (1988 Act). In line with this mission, we strive to improve access to high-quality, up-to-date tariff and international trade information and to reinforce our technical expertise in these areas in order to support the executive and legislative branches, the broader trade community, and the public. We maintain online interactive and in-house databases and an online HTS search tool; chair the U.S. interagency Committee for Statistical Annotation of the Tariff Schedules; conduct investigations under section 1205 of the 1988 Act to propose certain HTS amendments to the President to meet our international obligations; and participate in the U.S. Delegation to the World Customs Organization (WCO). Staff expertise in these areas strengthens our investigative work as well as the trade policy support we give to our legislative and executive branch customers. We also provide technical reports to Congress on miscellaneous tariff legislation and advise the U.S. Trade Representative on aspects of the trade agreements program. For FY 2017, we have set performance goals that further our ability to effectively carry out these responsibilities.

## Maintaining the Harmonized Tariff Schedule of the United States

Maintaining and ensuring access to an accurate and up-to-date tariff schedule is of critical importance to the U.S. government and private sector. U.S. Customs and Border Protection (CBP) relies on the HTS to collect all tariff revenues, which are estimated to be nearly \$34 billion assessed on more than \$2.3 trillion in goods imported into the U.S. in FY 2014. U.S. importing firms rely on the HTS for accurate information in importing all goods into the country. In fact, as noted earlier, the HTS is the most heavily used tariff schedule in the world, based on the volume of trade covered. The HTS underlies the U.S. trade data maintained by the Department of Commerce's Census Bureau (Census), enables anyone interested in trade information to easily find tariff codes and rates, and enables CBP to manage all of its trade enforcement activities.

The Harmonized Tariff Schedule of the United States Annotated (HTSA) consists of the HTS, its statistical annotations, and other related information. In addition to updating the HTSA to reflect changes in tariff rates and nomenclature information, we chair the interagency Committee for Statistical Annotation of the Tariff Schedules in coordination with CBP and Census. We also participate in or lead the U.S. delegation to various committees of the WCO. Continued funding for staff to attend WCO-related meetings is an

agency priority as part of U.S. government efforts to ensure that the international tariff nomenclature takes U.S. economic interests into account.

During FY 2014 and 2015, we invested in developing the state-of-the-art HTS Data Management System (DMS) to replace an outdated process and aging legacy system previously used to maintain and access the HTS. The new DMS, which was deployed at the beginning of the fourth quarter of FY 2015, enables us to efficiently prepare and publish the annual edition and intermediate updates of the HTS by easily incorporating modifications proclaimed by the President or otherwise approved, as well as automatically applying yearly staged rate reductions under free trade agreements. This new system has received substantial positive feedback from the trade community and other agencies. Users particularly welcomed the system's ability to allow access to the HTS data in machine-readable format, as required by the Open Data initiative. We plan to make only minor enhancements to the DMS in FY 2016, but in FY 2017 major enhancements will include more intelligent search capabilities, better trigger document tracking, and improved report generation. We expect the DMS to serve as the backbone for issuing accurate and timely updates to the HTS for years to come. It will also integrate with other USITC systems, such as DataWeb, to provide comprehensive trade data reporting.

In FY 2017, should the TPP enter into force, it may be necessary to publish HTS supplements in hard copy to reflect amendments arising from the annual Generalized System of Preferences (GSP) review and implementation of the tariff scheduling commitments contained in the TPP. Our ongoing support to the U.S. Trade Representative in developing and analyzing rules of origin for negotiating and carrying out agreements is another responsibility that will require significant staff time, particularly in connection with the TPP and existing free trade agreements. Our staff also helps the Office of the U.S. Trade Representative prepare the final versions of the implementing proclamations for trade agreements and other actions affecting the HTS.

## Legislative Reports

In the past, the House Committee on Ways and Means and the Senate Committee on Finance periodically requested the agency to provide technical drafting assistance and reports on miscellaneous tariff bills (MTBs)—bills to temporarily reduce or suspend tariffs on very specific products. Our experts supply advice on tariff nomenclature and estimates of likely customs revenue losses for the Congressional Budget Office.

Our MTB-related workload depends on the level of congressional MTB activity. During FY 2012, we streamlined our process for analyzing and developing what proved to be a formidable number of reports. Over 2,000 separate MTBs on a wide variety of products were introduced during the 112th Congress, resulting in more than 1,325 reports. However, no omnibus MTB legislation was passed in either the 112<sup>th</sup>, 113<sup>th</sup>, or the first session of the 114<sup>th</sup> Congress. Under MTB-related bills introduced in each of the last four Congresses, the agency would be given additional responsibilities for accepting, screening, and processing direct requests for MTBs, requiring substantially more resources than in prior years.

## Other Online Tariff- and Trade-Related Services

Our agency also provides online trade services, such as the USITC DataWeb and the HTS tariff database. The DataWeb is a valuable tool used by our staff, external customers, and the public to organize U.S. import and export data for analysis. To provide improved functionality and address customer feedback, the USITC will re-engineer the DataWeb application in FY 2016 to modernize and enhance it using state-of-the-art web technologies. The HTS tariff database reflects not only normal duty rates (“column 1-general tariff rates”) but also various preferential rates applicable under free trade agreements, the GSP, and other preferential duty programs. The web interface to access the tariff database will be re-designed along with the DataWeb and will integrate with tariff information contained in the USITC’s new HTS DMS to provide seamless and efficient sharing of data.

Use and access to tariff information through the search functionality of the HTS DMS is an integral feature provided to the public by the agency. Approximately 80 percent of all Internet queries directed to our agency concern tariff information. In the five months since the new HTS DMS was deployed on July 1, 2015, we recorded 1,487,823 visits, or an average of 297,565 per month, amounting to over 3.5 million on an annual basis. Each workday an average of 14,306 HTS searches are conducted. We expect that the new HTS DMS will not only increase efficiency and ease of use for all agencies, businesses, and members of the public that access the HTS, but will also streamline much of our own investigatory work. We have received a great deal of feedback from the public and other agencies that has helped us to make immediate improvements, as well as identify future improvements that will enhance the accuracy of searches and reports generated from the system.

## International Trade Data System (ITDS)

We host all board meetings and actively participate in a U.S. government multiagency initiative to develop a comprehensive, harmonized port documentation system that will allow the electronic collection, use, and dissemination of international trade and transportation data through the Automated Customs Environment Portal. The ITDS will also benefit the trading public by providing a “single window” for obtaining all trade related information for all agencies of the U.S. government from one set of documents filed electronically. We consulted with the ITDS working group in developing our new HTS system, and we took several suggestions made by ITDS agencies into account to ensure that agencies accessing HTS information would be able to do so in formats that are compatible with their systems. This interagency effort therefore benefits our own work as well as the wider interests of the federal government.

## Trade Policy Support

We draw on knowledge gained from our statutory investigations and other research to respond to requests for “rapid-response” technical expertise and data that trade policy makers can use to inform the development of U.S. international trade policy. This trade policy support, provided under section 332 of the Tariff Act of 1930, includes (1) providing information and analysis on current issues related to trade and competitiveness; (2) providing technical comments on draft legislation; (3) preparing draft tariff legislation and annexes for presidential proclamations, memoranda, executive orders, and final decisions by various agencies; (4) providing information and analysis in briefings and meetings; (5) temporarily detailing staff to our oversight committees and the U.S. Trade Representative; and (6) assisting trade delegations, negotiating teams, and Administration-led litigation teams in international dispute settlement fora.

Providing technical assistance allows us to fulfill our strategic goal of producing objective, high-quality, and responsive analysis and information on tariff, trade, and competitiveness questions. We use regular communication and formalized feedback mechanisms to seek out information that will help us foresee policy makers’ needs and proactively develop expertise to meet a high volume of requests for assistance.



In 2015, technical assistance requests covered a wide range of topics and issues, and the resources we devote to this activity increasingly support trade negotiations as well as general policy making. The variety of these requests underscores the complexity of trade policy issues, as well as recognition of our unique capabilities and expertise. In FY 2015, we committed almost 11 work years, or about \$1.7 million, in personnel costs to providing trade policy support, an increase of over 20 percent from FY 2014.

We anticipate that technical assistance efforts for FY 2016 and 2017 will remain at high levels. One reason for this is the heavy U.S. activity in various trade negotiations (e.g., the Environmental Goods Agreement, Transatlantic Trade and Investment Partnership, Trade in Services Agreement, and Information Technology Agreement); another is our outreach efforts, aimed at ensuring that our statutory customers are well informed of the staff's capabilities. Congressional interest in obtaining "real-time" assistance with draft legislation is expected to continue, as is executive branch interest in our assistance in support of trade agreement negotiations and appearances before the WTO. In some instances, we have found that an effective way to meet our requestors' requirements is to detail staff members to our oversight committees or to the U.S. Trade Representative. As budget and statutory workload permit, we will likely continue to provide a limited number of personnel details to these customers, at their request.

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# Information Technology

## General Statement

The Commission is committed to leveraging the power of information technology (IT) to transform agency operations, improve the customer experience, and safeguard our IT networks and information. Our IT program is a critical element for achieving our strategic goals and objectives, managing risk and maintaining a system of internal control, and creating value for our stakeholders. The agency's FY 2017 budget request of \$92.9 million includes \$11.2 million for operation and maintenance of existing systems, infrastructure, and security, and the resources necessary to enhance systems that support our research and investigative missions, accommodate increased cybersecurity requirements, and modernize our data center and disaster recovery capabilities.

## Supporting the Agency's Mission

Our IT budget contains the resources for operations and maintenance, as well as development, modernization and enhancement, for a suite of systems that support our unfair import and antidumping/countervailing duty investigations and the tariff, trade, and competitiveness-related analysis and information we provide the public and our stakeholders.

**Harmonized Tariff Schedule of the United States (HTS)** - Maintaining and ensuring access to an accurate and up-to-date tariff schedule is of critical importance to the U.S. government and private sector. U.S. Customs and Border Protection (CBP) relies on the HTS in collecting all tariff revenues, estimated to be nearly \$34 billion assessed on more than \$2.3 trillion in goods imported into the U.S. in FY 2014. U.S. import firms rely on the HTS for accurate information in importing all goods into the country. During FY 2014 and 2015, we invested in a state-of-the-art data management system that replaces the outdated process and aging legacy system used to maintain and access the HTS. This new HTS data management system was deployed at the beginning of the fourth quarter of FY 2015 and has received substantial positive feedback from the trading community and other agencies. Particularly welcomed by users was the system's ability to allow access to the HTS data in machine-readable format, as required by the Open Data initiative. Efforts in FY 2016 will focus primarily on operations and maintenance, with only minor enhancements expected, but in FY 2017

major enhancements planned will include more intelligent search capabilities, better trigger document tracking and improved report generation.

**Electronic Document Information System (EDIS)** – EDIS is the repository for all documents filed regarding investigations conducted by the Commission. EDIS provides the capability to file documents for an investigation as well as search for documents which have been submitted in relation to an investigation. It also supports the processing and review of documents by internal staff. In FY 2016, we plan to release a modernized version of EDIS to improve usability, incorporate updated technology and add automated tracking of orders issued in response to motions filed in an investigation. In FY 2017, we will modernize the capability to serve documents to external users under administrative protective order for an investigation by allowing electronic access to designated documents containing business proprietary or confidential business information.

**DataWeb** – DataWeb is the system used to integrate international trade statistics with complex tariff and customs treatment. DataWeb makes public certain trade data and in FY 2016 we plan to modernize the system technology and enhance functionality by allowing users to customize trade data queries. In FY 2017, primarily operations and maintenance is planned.

**337Info** – 337Info is a publicly searchable database launched at the end of FY 2014 offering the public easy access to information on intellectual property infringement investigations conducted under section 337 by the agency. Such information includes scheduling, parties involved, patents at issue and unfair acts alleged, staff assigned, disposition, and any appeals. This information is also used to generate statistics to respond to internal and external inquiries regarding section 337. In FY 2016, we anticipate making statistics regularly available through an enhanced interface. In FY 2017, a number of enhancements are planned to the system including improved auditing of system activity, inclusion of remand information, and providing access to relevant documents from EDIS.

**Title VII data system** – This will be a database similar to 337Info that will contain information related to Title VII investigations conducted by the Commission. It will include a modernized component to track the record of Commission votes and determinations, replacing a legacy system. Initial development will begin in FY 2016 with completion expected in FY 2017.

## Information Security

We will continue to strengthen our security posture by investing in new technologies, processes, and capabilities, including additional staffing resources as necessary, in line with the Federal Information Security Modernization Act of 2014 and government-wide best practices.

**Trusted Internet Connection (TIC) and Information Security Continuous Monitoring (ISCM)** – We are working with the Department of Homeland Security (DHS) to ensure compliance with the Office of Management and Budget’s (OMB) TIC initiative to consolidate Internet connections and to provide enhanced monitoring and situational awareness of external network connections. As a part of ISCM, we are leveraging the DHS Continuous Diagnostics and Mitigation (CDM) Program to maintain awareness of information security, vulnerabilities, and threats to the Commission’s information systems and to support organizational risk management.

**Security Controls Assessments (SCAs)** – We have established an inter-agency agreement with the Department of Health and Human Services to conduct security controls assessments on all of the Commission’s IT systems. An SCA is the testing or evaluation of security controls to determine the extent to which the controls are implemented correctly, operating as intended, and produce the desired outcome with respect to meeting the security requirements for an information system. SCAs are an exercise of due diligence needed to issue an Authority to Operate for a system and assure management that security has been appropriately addressed through the implementation of a comprehensive, documented process that produces evidence of this assurance.

**Homeland Security Presidential Directive 12 (HSPD-12)** – We have made significant progress towards milestones for deploying HSPD-12 access enforcing two-factor authentication through government-issued personal identity verification cards. In FY 2015 we completed a pilot program within the Office of the Chief Information Officer and plan to roll out HSPD-12 to the entire agency in the second quarter of FY 2016.

**Mitigating Data Center Risks and Modernizing Capabilities** – In June 2015, the Commission began converting our disaster recovery site into the agency’s primary data center and developing plans for adding a second offsite data center as backup. Our building’s infrastructure which houses our current data center is insufficient to ensure continuous, uninterrupted functionality. Migrating to a primary offsite data center and standing up a second, backup data center is the best option to secure our data and systems, provide optimal availability and performance, ensure continuity of operations in the event of a catastrophic event, and provide the best

long-term value for our customers and taxpayers. Including cloud solutions in the new technical architecture and plan is a priority consideration for modernizing operations. These modernizations will enable a more mobile workforce and ultimately reduce IT infrastructure costs. Within this multi-year project, full conversion to the offsite data center as primary is expected in FY 2017 with standup of a secondary, backup offsite data center continuing into FY 2018.

## Risk Management and Planning

**Enterprise Risk Management (ERM)** – During FY 2015, the agency developed our enterprise risk management (ERM) framework, which is designed to identify, prioritize, and manage institutional risk at all levels. Modern threats to information security require a strong IT consideration in risk management and planning. Agency managers are integrating enterprise risk management principles into their performance planning and budget formulation processes and the Office of the Chief Information Officer plays an important role in ensuring our IT capabilities and security needs are a focal point in ERM.

## The Office of Inspector General

The USITC's Office of Inspector General (OIG) provides audit, inspection, and investigative support services covering all of our programs and strategic operations. Its mission is to promote and preserve the agency's effectiveness, efficiency, and integrity. The OIG is required by statute to (1) perform an independent audit of our annual financial statement; (2) report on our information security program and practices under the Federal Information Security Management Act; (3) perform a risk assessment of our charge card program; (4) report on our compliance with the Improper Payments Elimination and Recovery Improvement Act; (5) report on the performance and management challenges facing us. In addition to these reviews, and based on available resources, the OIG has identified 16 potential areas for review in its FY 2016 Annual Audit Plan.

At \$193,000, the OIG's non-personnel budget request for FY 2017 reflects steady-state funding from FY 2016, which was also \$193,000. Included in the FY 2017 request is \$163,000 for contractual services, \$27,000 for technical equipment and supplies to review IT security, and \$3,000 for OIG's annual contribution to the Council of the Inspectors General on Integrity and Efficiency. Additionally, our travel and training budget includes \$8,000 for travel and \$12,000 for training to meet the continuing requirements for professional education in leadership, technical knowledge, and other skills. The Commission's budget request contains enough resources to support OIG's four full-time staff members in FY 2016 and 2017.

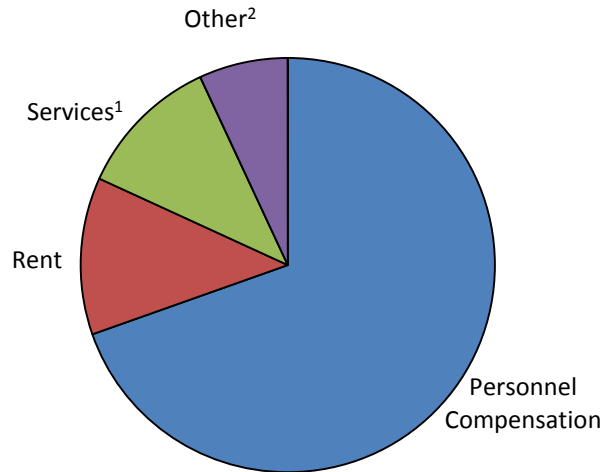
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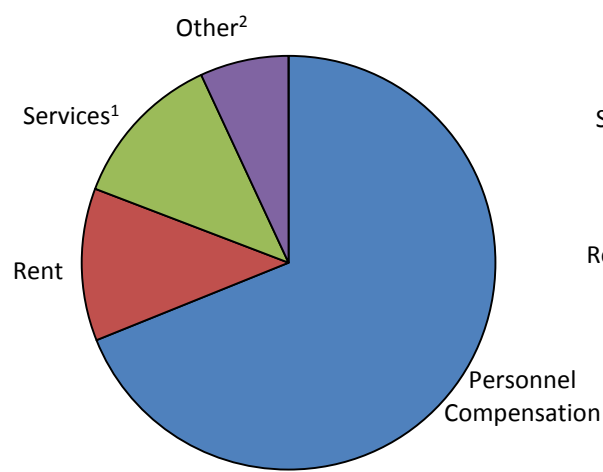
## Dollar Cost: Comparison by Object Classification, Fiscal Years 2015-2017

(Dollar Amounts in Thousands)

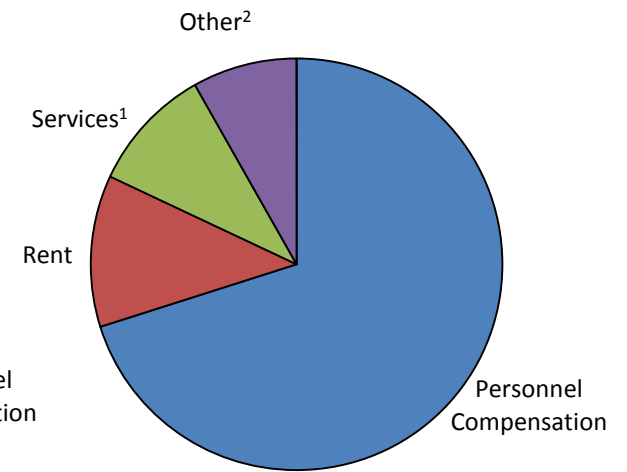
**FY 2015: \$85,381**



**FY 2016: \$88,842**



**FY 2017: \$92,866**



CATEGORY OF OBLIGATION	FY 2015 Actual		FY 2016 Estimate		FY 2017 Request	
	Dollars	Percent of Total	Dollars	Percent of Total	Dollars	Percent of Total
Personnel Compensation	\$59,405	69.6%	\$62,266	70.1%	\$63,995	68.9%
Rent	10,470	12.3%	10,591	11.9%	11,045	11.9%
Services <sup>1</sup>	9,582	11.2%	8,693	9.8%	11,392	12.3%
Other <sup>2</sup>	5,924	6.9%	7,292	8.2%	6,434	6.9%
<b>TOTAL</b>	<b>\$85,381</b>	<b>100.0%</b>	<b>\$88,842</b>	<b>100.0%</b>	<b>\$92,866</b>	<b>100.0%</b>

Note: Dollars may not add due to rounding in this and subsequent charts.

<sup>1</sup>“Services” include, but are not limited to, obligations for contractor staff (IT service desk; security guards; financial management, internal controls, and financial audits), software licenses, and equipment maintenance.

<sup>2</sup>“Other” includes budget object classes such as equipment, supplies, communications and equipment rental, travel, training, printing and reproduction, land and structures, postage and contractual mail, and transportation.

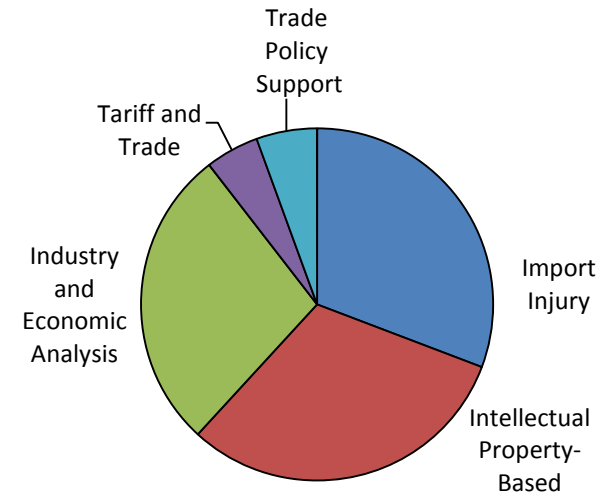
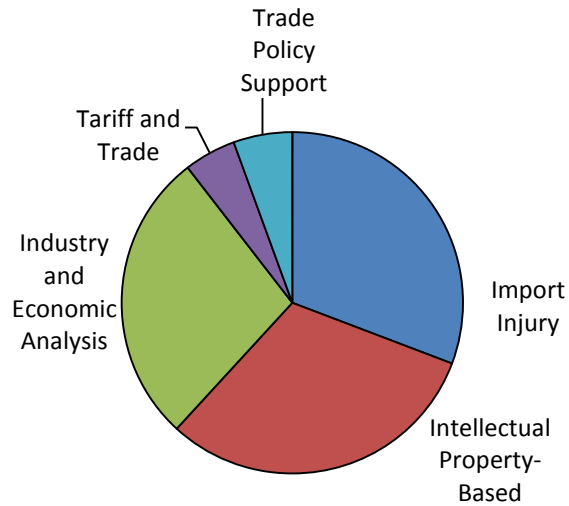
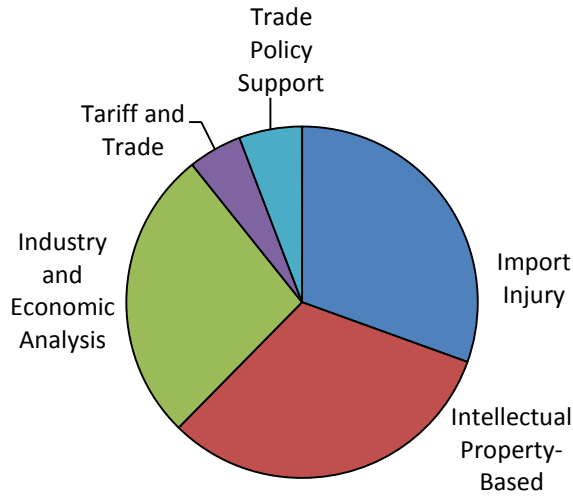
## Dollar Cost: Comparison by Strategic Goal, Fiscal Years 2015-2017

(Dollar Amounts in Thousands)

**FY 2015: \$85,381**

**FY 2016: \$88,842**

**FY 2017: \$92,866**



CATEGORY OF OBLIGATION	FY 2015 Actual		FY 2016 Estimate		FY 2017 Request	
	Dollars	Percent of Total	Dollars	Percent of Total	Dollars	Percent of Total
<b>Trade Remedy Investigations (Strategic Goal 1)</b>						
Import Injury	\$26,064	30.5%	\$27,357	30.8%	\$28,597	30.8%
Intellectual Property-Based	27,189	31.8%	27,577	31.0%	28,826	31.0%
<b>Tariff, Trade, and Competitiveness-Related Analysis and Information (Strategic Goal 2)</b>						
Industry and Economic Analysis	22,970	26.9%	24,597	27.7%	25,711	27.7%
Tariff and Trade Information Services	4,213	4.9%	4,363	4.9%	4,560	4.9%
Trade Policy Support	4,945	5.8%	4,948	5.6%	5,172	5.6%
<b>TOTAL</b>	<b>\$85,381</b>	<b>100.0%</b>	<b>\$88,842</b>	<b>100.0%</b>	<b>\$92,866</b>	<b>100.0%</b>

## Budget Summary by Strategic Goal Components, Fiscal Years 2015-2017

(Dollar Amounts in Thousands)

Operation	FY 2015 Actual		FY 2016 Estimate		FY 2017 Request		FY 2016-2017 Change	
	Workyears	Dollars	Workyears	Dollars	Workyears	Dollars	Workyears	Dollars
<b>A. Direct Costs</b>								
1: Import Injury Investigations	62	\$8,936	61	\$9,427	62	\$9,674	1	\$247
2: Unfair Import Investigations	63	9,935	61	10,502	62	10,779	1	277
3: Industry and Economic Analysis	56	7,546	55	7,905	56	8,112	1	206
4: Tariff and Trade Information Services	10	1,472	10	1,531	10	1,572	0	40
5: Trade Policy Support	11	1,825	11	1,873	11	1,922	0	49
<b>Subtotal</b>	<b>202</b>	<b>\$29,714</b>	<b>198</b>	<b>\$31,239</b>	<b>201</b>	<b>\$32,059</b>	<b>3</b>	<b>\$820</b>
<b>B. Indirect Costs</b>								
1: Import Injury Investigations	59	\$17,128	58	\$17,931	59	\$18,923	1	\$992
2: Unfair Import Investigations	60	17,254	59	17,075	60	18,047	1	972
3: Industry and Economic Analysis	53	15,425	52	16,691	53	17,599	1	908
4: Tariff and Trade Information Services	9	2,741	9	2,831	9	2,989	0	157
5: Trade Policy Support	11	3,120	10	3,075	11	3,250	1	175
<b>Subtotal</b>	<b>192</b>	<b>\$55,667</b>	<b>188</b>	<b>\$57,603</b>	<b>192</b>	<b>\$60,807</b>	<b>4</b>	<b>\$3,204</b>
<b>C. Total Costs</b>								
1: Import Injury Investigations	121	\$26,064	119	\$27,357	121	\$28,597	2	\$1,239
2: Unfair Import Investigations	123	27,189	120	27,577	122	28,826	2	1,249
3: Industry and Economic Analysis	109	22,970	107	24,597	109	25,711	2	1,114
4: Tariff and Trade Information Services	19	4,213	19	4,363	19	4,560	0	198
5: Trade Policy Support	22	4,945	21	4,948	22	5,172	1	224
<b>Total</b>	<b>394</b>	<b>\$85,381</b>	<b>386</b>	<b>\$88,842</b>	<b>393</b>	<b>\$92,866</b>	<b>7</b>	<b>\$4,024</b>

## Analysis of Change by Object Classification, Fiscal Years 2015-2017

(Dollar Amounts in Thousands)

	FY 2015 Actual	FY 2016 Estimate	FY 2017 Request	FY 2016-2017 Change	Percentage Change
<b>Personnel Compensation</b>	<b>\$59,405</b>	<b>\$62,266</b>	<b>\$63,995</b>	<b>\$1,729</b>	<b>2.8%</b>
<b>Non-personnel Obligations</b>					
Rent	\$10,470	\$10,591	\$11,045	\$454	4.3%
Services	9,582	8,693	11,392	2,698	31.0%
Supplies	1,775	1,787	1,894	107	6.0%
Equipment	1,710	1,297	2,334	1,037	79.9%
Travel	423	579	525	-54	-9.3%
Training	659	540	520	-20	-3.8%
Communications and Equipment Rental	1,007	2,682	822	-1,860	-69.4%
Transportation	10	15	15	0	0.0%
Postage	71	44	44	0	0.0%
Land and Structures	0	0	0	0	0.0%
Printing and Reproduction	269	321	251	-70	-21.7%
Official Reception and Representation	1	27	29	2	8.5%
<b>Subtotal Non-personnel Obligations</b>	<b>\$25,976</b>	<b>\$26,576</b>	<b>\$28,871</b>	<b>\$2,295</b>	<b>8.6%</b>
<b>Total Obligations</b>	<b>\$85,381</b>	<b>\$88,842</b>	<b>\$92,866</b>	<b>\$4,024</b>	<b>4.5%</b>

## Summary of Changes from the FY 2016 Estimate

### Personnel Cost Change

(Dollar Amounts in Thousands)

**Personnel Costs** .....+\$1,729

Personnel costs are expected to increase by approximately \$1.7 million to maintain our expected FY 2016 year-end staffing levels and cover the proposed 1.6 percent pay raise effective January 1, 2017, the normal cost of promotions and within-grade increases, and higher benefits costs.

### Non–Personnel Cost Changes

**Rent**.....+\$454

Rent costs are expected to increase by \$454,000 to accommodate higher real estate taxes and operating costs included in the leases.

**Services**.....+\$2,698

Services costs are expected to increase by \$2.7 million. We have additional cyber security requirements, will expand our economic research and modeling capabilities, and will enhance systems that support our unfair import and antidumping/countervailing duty investigations and the tariff, trade, and competitiveness-related analysis and information we provide the public and our stakeholders.

**Supplies** .....+\$107

Supplies costs are expected to increase by \$107,000 for data purchases to support research requirements.

**Equipment** .....+\$1,037

Equipment costs are expected to increase by approximately \$1.0 million. The largest component of this increase covers expenses for migrating to a primary offsite data center and standing up a second, backup data center.

**Travel .....-\$54**

Travel costs are expected to decrease slightly but travel will be sufficiently funded to support statutory investigations and anticipated studies, knowledge development in emerging trade issues and priority areas, representational travel for international organization meetings, litigation support, and multilateral and regional agreement negotiation support.

**Training.....-\$20**

Training costs are expected to decrease slightly but training will be sufficiently funded to support staff training to advance existing skills, licensing, certification, and professional education requirements for existing staff, and will enable the agency to train newly-hired staff.

**Communications .....-\$1,860**

Communications costs are expected to decrease by \$1.9 million as a result of one-time FY 2016 purchases related to the data center.

**Printing and Reproduction.....-\$70**

Printing and reproduction costs are expected to decrease by \$70,000 as a result of fewer submissions to the Government Publishing Office.

**Official Reception and Representation.....+\$2**

Official reception and representation funds are expected to increase by \$2,250, which has been the level of funding provided in the last several annual appropriations.

**Net Non–Personnel Cost Changes .....+2,295**

**Total Adjustment to Base (\$88,842) .....+\$4,024**

**Total Budget Request..... \$92,866**

## Commissioners

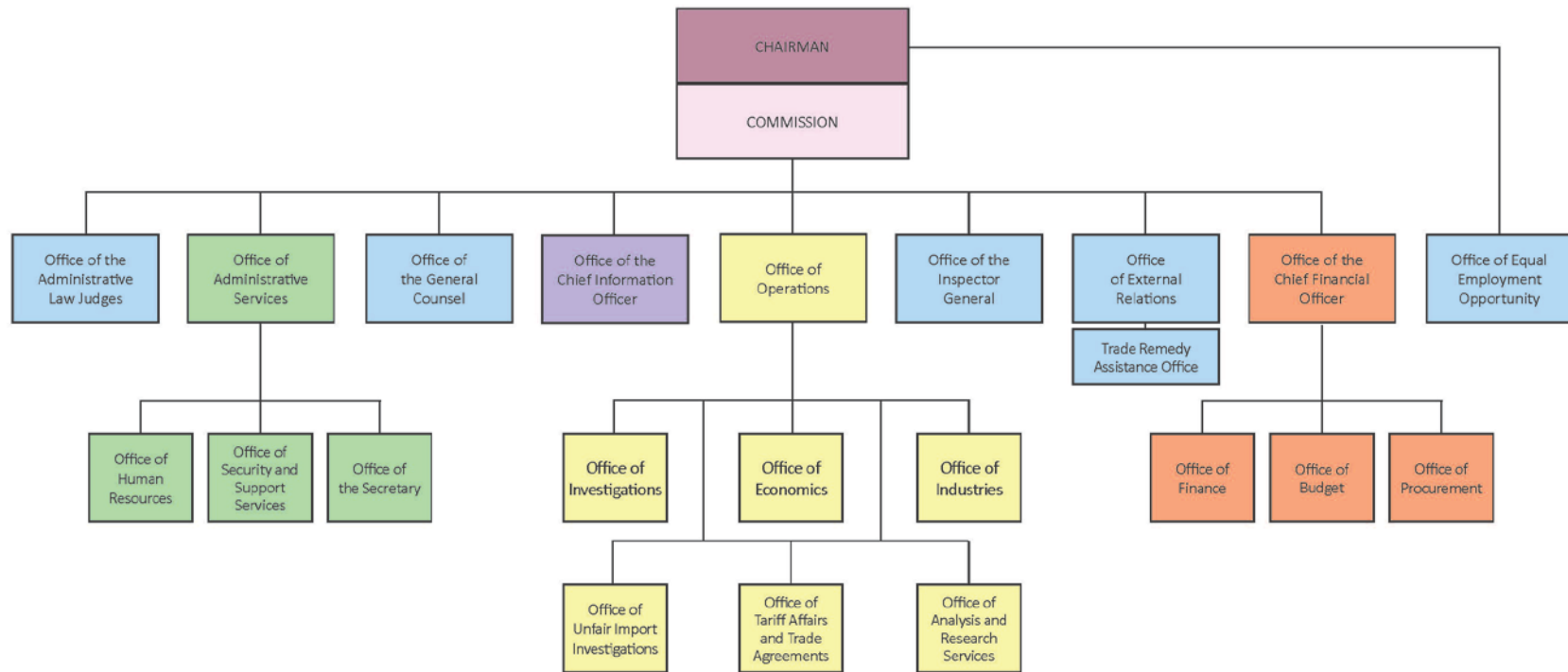
The USITC is headed by six Commissioners, who are nominated by the President and confirmed by the U.S. Senate. Meredith M. Broadbent, a Republican, is serving as Chairman of the USITC for the term ending June 16, 2016. Dean A. Pinkert, a Democrat, is serving as Vice Chairman. Commissioners currently serving are, in order of seniority, Irving A. Williamson, David S. Johanson, F. Scott Kieff, and Rhonda K. Schmidlein.

Each of the six Commissioners serves a term of nine years, unless appointed to fill an unexpired term. The terms are set by statute<sup>5</sup> and are staggered so that a different term expires every 18 months. A Commissioner who has served for more than five years is ineligible for reappointment. A Commissioner may, however, continue to serve after the expiration of his or her term until a successor is appointed and qualified. No more than three Commissioners may be members of the same political party. The Chairman and the Vice Chairman are designated by the President and serve for a statutory two-year term. The Chairman may not be of the same political party as the preceding Chairman, nor may the President designate two Commissioners of the same political party to serve as the Chairman and Vice Chairman. Currently three Democrats and three Republicans serve as Commissioners.

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<sup>5</sup> 19 U.S.C § 1330, Organization of Commission.

# U.S. International Trade Commission Office-Level Organization Chart

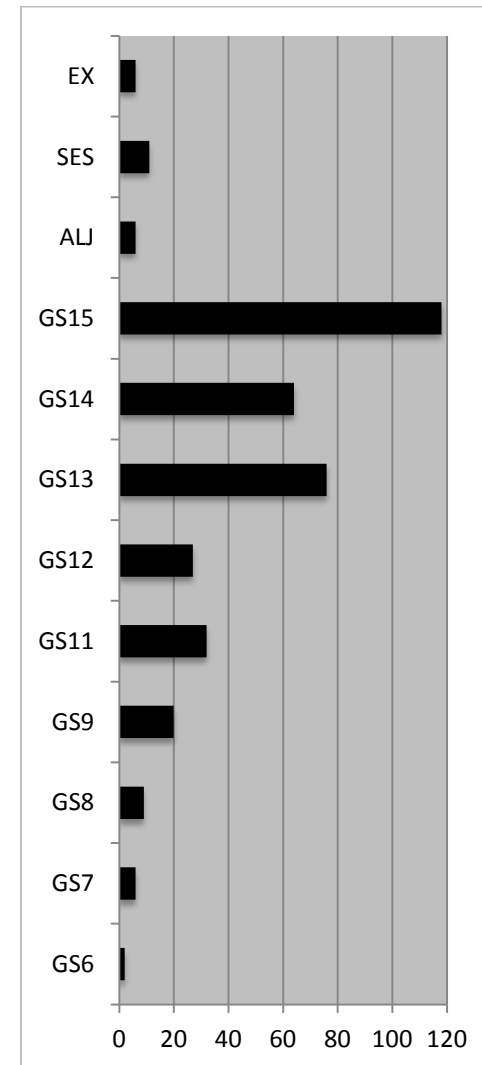


Revised October 2014



## Current Permanent and Term Staffing Plan with Onboard and Gaps

Office	FY 2016		
	Permanent and Term Positions in Staffing Plan	Permanent and Term On Board (as of Jan. 6, 2016)	Gap
Commissioners' Offices	32	31	1
External Relations	5	3	2
Inspector General	4	3	1
General Counsel	44	42	2
Administrative Law Judges	24	23	1
Equal Employment Opportunity	2	2	0
Chief Information Officer	31	34	-3*
<b>Subtotal Independent Offices</b>	<b>142</b>	<b>138</b>	<b>4</b>
Operations	7	6	1
Analysis and Research Services	20	18	2
Import Injury Investigations	27	20	7
Unfair Import Investigations	21	20	1
Economics	42	32	10
Tariff Affairs and Trade Agreements	14	14	0
Industries	84	65	19
<b>Subtotal Operations</b>	<b>215</b>	<b>175</b>	<b>40</b>
Chief Financial Officer	4	4	0
Budget	2	2	0
Finance	9	8	1
Procurement	6	6	0
<b>Subtotal Chief Financial Officer</b>	<b>21</b>	<b>20</b>	<b>1</b>
Administrative Services	5	7	-2*
Human Resources	9	10	-1*
Security and Support Services	11	11	0
Secretary and Dockets	16	16	0
<b>Subtotal Administrative Services</b>	<b>41</b>	<b>44</b>	<b>-3*</b>
<b>Commission Total</b>	<b>419</b>	<b>377</b>	<b>42</b>



\*We constantly evaluate our workload and align resources to meet emergent needs. In the short term, the Commission may approve requests for staffing that exceed office allocations to meet workload challenges. If those workload challenges persist, the Commission may make the adjustment permanent by shifting positions, subject to the total staffing constraint of 419 permanent and term positions. See linked data set.

The end.