United States International Trade Commission

Budget Justification

Executive Summary

Fiscal Year 2024

Table of Contents

Budget Highlights

For FY 2024, the Commission requests $131 million to carry out our mission and functions. This funding reflects an inflationary increase over our FY 2023 appropriation and will enable us to sustain the human capital investments we plan to make during FY 2023. The volume and complexity of our workload demand an unsustainable level of effort by our current number of staff. Receipt of our FY 2023 budget request of $122.4 million will enable us to begin a long-overdue hiring initiative that aims to provide staffing levels commensurate with our workload. Our FY 2024 staffing goal is to have an average staffing level (i.e., full-time equivalents, or FTE) of 437. As of late-January 2023, our onboard staffing level is 394, with vacancy rates as high as 25 percent in offices responsible for statutory workload. The staffing increase in FY 2023 is largely focused on offices responsible for statutory investigations pursuant to Title VII (antidumping and countervailing duty, or AD/CVD) and section 332 (factfinding and trade policy support) of the Tariff Act of 1930 but it also provides additional resources for section 337 investigations, which remain at high levels.

Our request reflects the resources required to increase staffing levels in the Office of Operations and the Office of the General Counsel, as they are heavily impacted by the continued high investigative caseloads, specifically AD/CVD, unfair import, and industry and economic analysis investigations. Caseload has surpassed the workload assumptions that we used to build our current staffing plan several years ago and we are reassessing our staffing plan to ensure that it aligns with the current caseload and near-term projections.

The request also provides resources to continue making IT investments to continuously improve the security of and enhance our IT infrastructure while maintaining equipment lifecycles. The request ensures the availability and accessibility of our public-facing IT systems, as well as ensuring they are in compliance with the 21st Century Integrated Digital Experience Act (21st Century IDEA). FY 2024 IT investments also include continued replacement of end-of-life equipment, continued work towards implementing a zero-trust architecture, and the expansion of our telecommunications network to improve continuity of operations, redundancy, and enhanced remote access controls. Additionally, this request includes funds to increase hybrid working capabilities of staff in their support of internal, public, and intra-governmental customers.

Workload Drivers

The Commission continues to experience sustained high caseload levels in AD/CVD investigations and a higher number of unfair import investigations described below, and we have been devoting more resources to conducting or supporting other investigations and Administration initiatives. Due to repeated increases and record-number of petition filings in import injury investigations, the average number of instituted and completed investigations has almost doubled in the last decade with commensurate increases in monthly import injury activity levels. While stabilizing, workload is expected to remain at high levels due to an increased number of investigations regularly returning for five-year reviews. Although AD/CVD investigations represent the bulk of import injury activity, the Commission continues to handle litigation-related activity, and manages ongoing follow-on safeguard-related investigations, such as end-of-relief investigations on large residential washers and solar products.

Likewise, in FY 2022, our section 337 workload reached the highest level of activity to date and is expected to remain at high levels. The high level of active section 337 investigations in FY 2022 was due to the number of investigations instituted in FY 2020 and FY 2021 that were carried-over into FY 2022 in addition to new investigations commenced in FY 2022. Despite the record number of completed investigations in FY 2022, the settlement rate in section 337 remained low, so we expect the number of unfair import investigations to remain at high levels for years to come. Indeed, for nearly two decades, there has been an overall upward trend in new investigations filed year over year and FY 2022 was no exception, and we expect the trend to continue in FYs 2023 and 2024.

At the same time, the number and increased complexity of factfinding investigations and trade policy support requests have required more research and resources. The increasing number of complex reports with broad scope, such as *Foreign Censorship* and *Distributional Effects*, have increased requirements for innovative modeling and increased the number of staff and hours devoted to these reports.

In addition, we have had to amend the Harmonized Tariff Schedule of the United States (HTS) in recent years an unprecedented number of times to incorporate the changes brought about by Administration initiatives. In a typical year, two or three HTS revisions are made; in FYs 2020 and 2021, 28 and 18 revisions were made, respectively. In FY 2022, the Commission continued to complete revisions to the HTS at an elevated level: publishing the HTS 17 times to implement multiple tariff changes.

Program Overview

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

The Commission provides a venue for private sector firms and other qualifying entities to bring allegations of certain unfair or injurious trade practices involving imports before an independent, objective, and expert quasi-judicial governmental body. Our trade remedy investigations caseload continues to grow in volume and complexity. In FY 2022, the number of AD/CVD investigations remained at historically elevated levels. The caseload is expected to stay relatively high in FYs 2023 and 2024, though driven primarily by the structural and more predictable increase in reviews of existing orders required every five years after imposition. In FY 2022, new unfair import matters under section 337 exceeded the peaks in previous fiscal years by five percent, and we expect caseload to remain high in FYs 2023 and 2024.

AD/CVD Caseload and Recent Safeguard Actions are at Record High Levels

In FY 2022, 10 petitions were filed under Title VII of the Tariff Act of 1930. Filings in FY 2022 were low compared to recent record-breaking years though consistent with the pre-2015 average. In FY 2022, approximately two-thirds of the petitions involved imports from multiple countries. Domestic industries filing petitions in FY 2022 produced a range of products, including various chemical, processed agricultural, steel and metal and intermediate products. Almost half of the investigations covered chemical products (such as sodium nitrite, barium chloride, and superabsorbent polymers). Additional investigations covered agricultural products (such as preserved mushrooms, white grape juice concentrate, and lemon juice) and steel-related products (such as oil country tubular goods, steel nails, and freight rail couplers and parts). Some investigations were notable because of the size and/or complexity of the U.S. industry and market, including oil country tubular goods, steel nails, and superabsorbent polymers. In addition to new investigations, we instituted 41 reviews of existing AD/CVD orders in FY 2022 and anticipate instituting 35 in each of FYs 2023 and 2024. While the number of import injury review activity increased, the amount of safeguard activity was less than recent years. In FY 2022, the Commission completed one safeguard extension investigation on crystalline silicon photovoltaic cells and modules (solar panels). The Commission will also conduct end-of-relief assessment reports when actions taken by the President expire for large residential washers and solar products, two measures that are based on investigations that were initiated in 2017. In addition, as a result of the extension of relief, the Commission will conduct a second monitoring investigation on solar products starting in FY 2023. Overall, the Commission instituted 65 investigations and reviews and completed 52 investigations and reviews in FY 2022. Recent activity reflects the normal cyclical activity of cases and continued, but stabilizing, elevated levels (the FY 2012-to-FY 2021 average for institutions and completions was 54 and 53, respectively). We anticipate continued high caseload levels, driven primarily by returning reviews; in FY 2023, we anticipate instituting 67 proceedings and completing 73. In FY 2024, we anticipate instituting 71 proceedings and completing 72.

During FY 2022, we continued our efforts to increase the transparency of our proceedings and reduce the burden on participating parties. We used information obtained from the FY 2021 external stakeholders survey about virtual staff conferences and hearings to inform ongoing efforts related to hybrid and in-person staff conferences and hearings. In FY 2022, we made substantial gains in our ongoing efforts to develop a data system for more complete, timely, and accessible reporting of investigative information (the Investigations Database System, or IDS), including Title VII information. Completion and rollout of IDS for the public occurred in the second quarter of FY 2023.

Unfair Import Investigations Caseload Remains High

In FY 2022, our section 337 workload reached the highest level of activity to date, due to the number of carryover investigations from FY 2021 into FY 2022 and new investigations commenced in FY 2022. We anticipate that there will be a high number of active cases throughout FY 2023 and into FY 2024.

Our proceedings provide for timely resolution of matters involving imported goods alleged to infringe U.S. intellectual property (IP) rights and imports that are involved with other unfair acts or methods of competition, such as trade secret misappropriation, that harm domestic industries. Indeed, it has been reported that nearly a quarter of the patent trials in the United States occur at the Commission. Section 337 authorizes relief in the form of exclusion of infringing or otherwise unfairly traded imports at the border. IP-intensive domestic industries that seek relief against unfair imports under section 337 account for a large number of high-wage jobs in U.S. industries that generate significant exports.

The range of technologies covered in these investigations is quite broad, encompassing, among other things, various electronic devices, pharmaceutical and medical devices, transportation-related products, and other consumer goods such as artificial eyelashes, stud finders, shingled solar modules, home security and HVAC systems, swabs used in medical testing, and decorative wood grain paper for use in furniture. Section 337 investigations typically involve allegations of patent infringement and other unfair acts such as trademark infringement, trade dress infringement, false advertising, and trade secret misappropriation, the latter of which is an area of heightened concern for U.S. companies and Congress.

Work is ongoing to ensure that section 337 investigations are completed expeditiously, in line with congressional intent. We continue to build and develop the necessary staff and resources to conduct evidentiary hearings in section 337 investigations and focus on making the process more efficient and less costly for both litigants and the agency. Our efforts include improvements to courtroom space, acquisition of a FedRAMP-certified video-teleconference platform for virtual evidentiary hearings, outfitting our hearing rooms to accommodate remote witness testimony, improvements to our rules of procedure, procedural pilot programs, and substantial investments over the past few years in our Electronic Document Information System (EDIS). Further, in FY 2021, we implemented electronic service of public documents through EDIS, and plan to expand to include confidential service in FY 2023. We acquired BOX, a FedRAMP-certified cloud content management system, to enhance the secure transfer, use, and storage of the voluminous electronic documents produced in our investigations. We also transitioned our unfair import investigation database, 337Info, which has provided detailed information to the public about investigations instituted since October 1, 2008, to IDS, enhancing features that were provided in 337Info. These efforts necessitate an adequate level of funding.

Synergies between EDIS and IDS will help us to better manage our large volume of investigation-related materials while making our investigative process more transparent. These systems also comply with government Open Data rules, furthering our efforts to make our data more accessible to and usable by other agencies and the public. Funding these types of improvements will help us to address the challenges of resolving section 337 matters expeditiously and will keep the public informed on these matters.

Analysis and Information on Tariffs, Trade, and Competitiveness

The Commission supplies the executive branch and Congress with objective analyses of significant trade issues. We provide industry and economic research, tariff and trade information, and trade policy support through investigations and other expert advice. Given our independent economic and trade expertise, we offer cutting-edge data and insights that support the development of sound U.S. trade policy. The caseload for industry and economic analysis was at a high level in FY 2022, and the number of requests will likely remain at similar levels in FY 2023 and FY 2024.

We Continue to Develop New Approaches in Our Industry and Economic Analyses

International trade touches nearly all sectors of the U.S. economy. As with section 337 and Title VII investigations, we constantly develop and refine our capabilities to meet requests for increasingly complex analyses in emerging areas of international trade, trade policy, and competitiveness. We gather primary data to provide unique insights into emerging issues, assembling this information via a variety of instruments, including carefully crafted industry surveys.

Our staff also develops new methods to produce high-quality economic analysis to meet analytical priorities relevant to our requestors. During FY 2022, our priority effort for model innovation was estimating the distributional effects of trade on underserved U.S. communities. During FYs 2023 and 2024, we plan to continue our efforts estimating impacts of trade on U.S. workers and communities. We will also improve our analytical capabilities to estimate the effects of tariffs imposed under Sections 232 and 301, the impact of the United States-Mexico-Canada Agreement (USMCA) automotive rules of origin, assessing industry competitiveness, and analyzing supply chains.

Our work in industry and economic analysis spans a wide variety of issues and responds to both specific requests and areas of potential interest from the President and Congress. A few examples include:

- The performance of U.S. industries in critical supply chains and the effects of global disruptions
- How trade and investment barriers, rules of origin, and standards affect U.S. firms, workers, and consumers
- The promises—and pitfalls—of new technologies, industries, and business models
- The intersection of trade and the environment
- Assessments of industry competitiveness
- Economic analysis of U.S. free trade agreements, both proposed and completed, as well as technical support to policymakers during trade negotiations

To effectively support the requests of trade policymakers, we must maintain a staff with expert knowledge and skills to provide relevant and timely insights on trade, investment, and the international competitiveness of U.S. companies in the global marketplace.

Tariff and Trade Information Services Benefits from New Technology and Improved Business Processes

Our work to maintain and update the HTS, as discussed above, also impacts other U.S. agencies, private parties, and other stakeholders. U.S. Customs and Border Protection (CBP) relies upon the HTS for collecting tariff revenues on imported goods. Private firms use the HTS to learn the duties that they will pay on imported goods. U.S. exporters and importers depend on our work in the World Customs Organization to ensure that global tariff product classification ("nomenclature") is up to date and takes into account stakeholder interests and changing patterns of trade. Compared to two or three revisions in a typical year, in FY 2022, we prepared and published the HTS 17 times, including the Preliminary Edition and the annual Basic Edition in January 2022. Revisions were made to reflect trade actions with respect to infant formula, increase the column 2 rate of duty with respect to imports from the Russian Federation, adjust tariff rate quota quantity limitations in accordance with the U.S.-Australia Free Trade Agreement, suspend application of the safeguard measure to imports of crystalline silicon photovoltaic cells originating from Canada, and address changes with respect to steel and aluminum imports and Section 301 China tariffs.

The HTS provides the foundation for the U.S. trade data maintained by the U.S. Census Bureau (Census), and it enables CBP to manage its trade and enforcement activities. We ensure that the HTS is both accurate and up to date so that it meets the demands for trade and tariff information from Census, CBP, U.S. exporters and importers, the Administration, and policymakers 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 19,000 10-digit statistical subheadings must be updated and maintained throughout the year to reflect changes from implementing trade agreements and from other congressional and administration actions. In FY 2014, the HTS was redesigned and developed as a data management system to which we have made routine and incremental improvements. In FY 2021, we began to gather requirements to significantly upgrade the data management system and HTS search application. This effort continued in FY 2022. In FY 2022, we continued to make improvements to DataWeb (the USITC web application that makes available official U.S. import and export statistics to the public in a queryable web-based interface), which had undergone an extensive redesign in FY 2018. We have plans to conduct another major overhaul; however, the timing of this major version change is uncertain.

Thoughtfully executing these necessary improvements requires time and resources. In particular, we plan to deploy needed functional improvements to the HTS Data Management System in FY 2023, while simultaneously continuing the effort to gather requirements and scope-out a more significant reengineering of both the HTS Data Management System and the public-facing search application. The FY 2023 improvements to the HTS Data Management System will be followed by a major version update to DataWeb; however, the timing of the development of the next version of DataWeb is contingent on successful completion of the HTS improvements. The skills needed to support many of these tariff and trade information services (e.g., HTS maintenance and improvement and working with large volumes of merchandise trade data statistics) 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 approaching retirement eligibility, so we expect human capital planning and recruitment to be a priority over the next few years.

Trade Policy Support Remains a Key Focus Requiring Deep Expertise

We draw heavily on staff in all agency program areas to respond to requests for trade policy support from Congress and the Administration. In FY 2022, we supplied rapid responses on a broad array of issues and topics, ranging from litigation support in international tribunals to assessments of specific industry and economic issues, including digital services and trade, environmental impacts of trade agreements, trade facilitation measures, and the USMCA dairy dispute panels. Moreover, behind-the-border issues related to regulation and services trade have required us to refocus our resources, apply new analytic techniques, and develop new trade-related databases. Our staff often provides support to policymakers developing new or revising existing trade programs and policies as well as negotiators working on proposed trade agreements or adjustments to existing agreements. We supply information, expertise, and software-based tools to support U.S. negotiating teams.

Congress and the Administration place a high value on our staff's ability to produce timely, objective, and independent information related to their most urgent issues. Because we are facing heavier workloads, work that is more complex, and staffing challenges in various areas, we anticipate that we will experience significant constraints on our ability to respond to these requests if the requested level of funding is not received.

Diversity, Equity, and Inclusion in Our Workforce

In FY 2022, our diversity, equity, and inclusion (DEI) program was primarily led by the Office of Human Resources. Programmatic enhancements included coaching training for all supervisors and managers as part of their triennial mandatory training with the intent of building the skills needed to foster a more inclusive environment. The DEI Council, the cross-agency working group formed to make recommendations representative of the broader workforce and carry out a portion of the DEI programming, held regular activities and distributed a newsletter highlighting the significance of each special emphasis and heritage month. Additional programming included agency-wide, DEI-related trainings; an agency-wide mentoring program and coaching for supervisors; sponsorship for an employee to attend a leadership program with a focus on DEI; and dedicated intranet resources, including a SharePoint page. Additional efforts in the area of accessibility and inclusion have included training and application of 508 accessibility measures both through our reporting and at hearings. Specifically, all published factfinding investigations, staff working papers, Journal of International Commerce and Economics articles, administrative reports, and Commission reports for Title VII investigations were 508 compliant.

To effectively support and advance these efforts in FYs 2023 and 2024, we must maintain our commitment to hiring staff with expert knowledge in these areas including DEI, hiring and staffing, retention, and training. Dedicated human capital resources are needed to ensure a lasting and meaningful commitment to these efforts. In the meantime, we expect to continue to utilize the DEI Council as a consultative body to help assess program diversity, equity, and inclusion across the agency and recommend areas for further examination and review. We will maintain the continuity of programming mentioned previously, alongside improving workforce satisfaction with the Commission's DEI efforts, sponsoring participation in a variety of leadership development programs, and continuing our commitment to diverse recruitment through initiatives such as the paid internship program. Over the next two years, the Commission will continue its efforts to increase the accessibility of the written materials it provides the public by achieving full 508 compliance for its public documents. This supports its broader efforts to provide clear and accurate work products and customer service.

Information Technology Security

We continue to demonstrate our commitment to improving our IT security by complying with and implementing mandates and best business practices pertaining to IT security in a timely way. We continue to expand and improve our access controls, as well as bolster our core architecture using more secure devices and reducing our physical footprint. We continue to enhance our continuous monitoring abilities as they relate not only directly to IT security, but also to operations and maintenance activities. We monitor, track, and report on all activities via our security operations center. We continue to implement a full zero-trust architecture.

In FY 2024, strengthening our IT security posture by investing in new technologies, processes, and capabilities will continue to be a priority. Planned improvements include the following:

- More stringent remote access controls to further secure our infrastructure
- Continued maturing of our incident response and intrusion detection processes
- Improved flexibility and security in application development utilizing containerization both locally and in the cloud
- Enhancements to the Commission's continuous monitoring program
- Ongoing integration with the Cybersecurity and Infrastructure Security Agency (CISA) Continuous Diagnostics and Mitigation (CDM) program
- Continued enhancement of the vulnerability management processes
- Coordinating with the U.S. Department of Homeland Security to conduct external assessments and scans of agency systems
- Continuing independent assessments of our security and privacy controls systems to ensure that security controls are applied correctly, operating as intended, and producing the desired outcome for security requirements

Remote and Cloud Computing

We plan to further advance our continuity and telework capabilities in FY 2024 by maintaining a secure and modernized remote access solution, adding additional service provider capacity and redundancy, and ensuring improved levels of availability and accessibility by expanding our hybrid cloud-based architecture. We also expect to add additional compute capabilities to the second, remote telecommunications core schedule for procurement and implementation in FY 2023. This additional compute capability will provide even higher levels of redundancy and performance for remote and local users.

The Commission will continue to implement non-proprietary development techniques and technologies to ensure flexibility and portability in cloud deployments, while maintaining the necessary levels of IT security. In FY 2024, we expect to continue utilizing a hybrid cloud-based architecture to improve the availability and accessibility of our systems, increase our redundancy, and reduce our dependence on physical data centers.

Risk Management and Planning

We have an enterprise risk management (ERM) process to establish, maintain, monitor, evaluate, and report on agency risks. The process is led by the Director of the Office of Internal Control and Risk Management, who reports directly to the Chairman. ERM is an integral part of all strategic planning, performance management, budget, IT, and human capital functions and activities. As part of this effort, we maintain an ERM database, which supports categorizing, documenting, and evaluating risks to the agency. Management performs ongoing assessments to identify, manage, and update the risks in this database. Our risk profile is developed from the risk database and ranks risks from an agency-wide perspective. The profile is discussed, prioritized, and reviewed by the Commission's Performance Management and Strategic Planning Committee. The primary purpose of the risk profile is to assess how the risks we face from operations, mission-support activities, and external factors influence our ability to meet the agency's mission and achieve its performance goals.

The Office of Management and Budget (OMB) provides agencies with guidance related to risk management in certain specialized areas, including cybersecurity. OMB directs agencies to assess their cybersecurity risk, to manage the cybersecurity component of enterprise risk, and to adopt the Framework for Improving Critical Infrastructure Cybersecurity. The Commission manages risk in a way that is commensurate with the magnitude of the harm that would result from unauthorized access, use, disclosure, disruption, modification, or destruction of a federal information system or federal information. The Commission complies with all cybersecurity reporting requirements.

Each quarter, agency leaders and other senior staff review progress on our strategic and management objectives and identify and discuss enterprise risks. These reviews, along with the evidence related to specific performance goals and associated risks identified by our managers, inform the development of our Annual Performance Plan and Congressional Budget Justification. We continue to evaluate how to improve our planning and ERM processes and how to make more effective use of the data we collect.

Good Accounting Obligation in Government Act

The Good Accounting Obligation in Government Act requires each agency to include in its annual budget justification a report that lists each public recommendation issued by the Government Accountability Office (GAO) and the agency's Office of Inspector General (OIG) that has remained unimplemented for one year or more from the annual budget justification submission date. The

Commission does not have any open GAO recommendations. The Commission also does not have any IG recommendations that have been open for more than one year.

Publications Proposed for Elimination

The Commission has identified two publications that it has proposed for elimination or streamlining in response to requirements of the GPRA Modernization Act of 2010. Specifically, the Commission has requested elimination of the requirement found in 19 U.S.C. § 3204 to provide the Andean Trade Preference Act: Impact on U.S. Industries and Consumers and on Drug Crop Eradication and Crop Substitution report. The requirement is outdated because the President's authority to provide trade preferences under the Act expired in 2013 and has not been extended by Congress. Thus, none of the four eligible countries has participated in the program since 2013. As a result, there is no continued benefit to issuing the report.

Similarly, the Commission requested that Congress streamline the production of the HTS by eliminating the requirement to print a hard copy of it, which can be found in 19 U.S.C.§ 3007(a). The statute requires the Commission to prepare a hard-copy version of the HTS and authorizes it to publish an electronic version. Users of the HTS rely almost exclusively on the electronic version. The requirement of a hard copy duplicates the electronic version. In addition, the hard-copy version often becomes outdated soon after issuance due to the numerous modifications, and it therefore provides little benefit to the public.

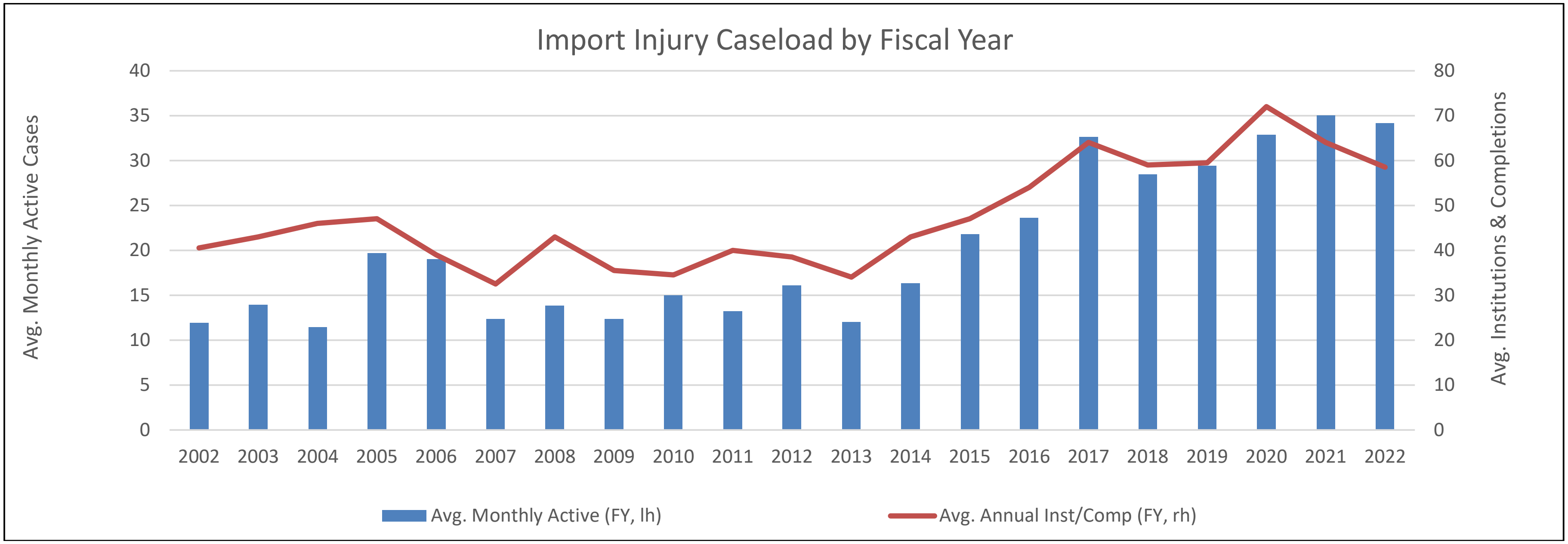
Preparing for Future of Work and Physical Space Reconfiguration

Agency leadership is engaging with mission owners and human capital, IT, and real property mission support functions to determine the most effective and efficient business practices to meet mission requirements in the post-pandemic era. The analysis includes assessing the continued use of telework, remote work, and hybrid work, hallmarks of pandemic and post-pandemic operations for government and non-government employers alike, and the implications of those work models on our physical space requirements. The agency may be able to achieve cost savings through a reduction in leased space. Of particular concern to the agency when assessing future of work and physical space configuration is ensuring optimal hybrid operations of our public courtroom complex.

Import Injury Investigations Caseload

Instituted and Completed Investigations

	Instituted							Completed						
	FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2022 Actual	FY 2023 Estimate	FY 2024 Estimate	FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2022 Actual	FY 2023 Estimate	FY 2024 Estimate
Preliminary Title VII	18	15	26	11	10	16	17	18	19	25	12	10	17	17
Final Title VII	21	19	16	23	14	13	16	18	15	20	25	13	15	17
Other	0	3	3	1	0	3	3	2	2	2	2	1	3	3
Full review	7	6	5	9	11	10	10	11	7	6	5	6	10	10
Expedited review	10	16	25	17	30	25	25	13	17	16	23	22	28	25
Total	**56**	**59**	**75**	**61**	**65**	**67**	**71**	**62**	**60**	**69**	**67**	**52**	**73**	**72**



Unfair Import Investigations Caseload

Instituted and Completed Original and Ancillary Investigations

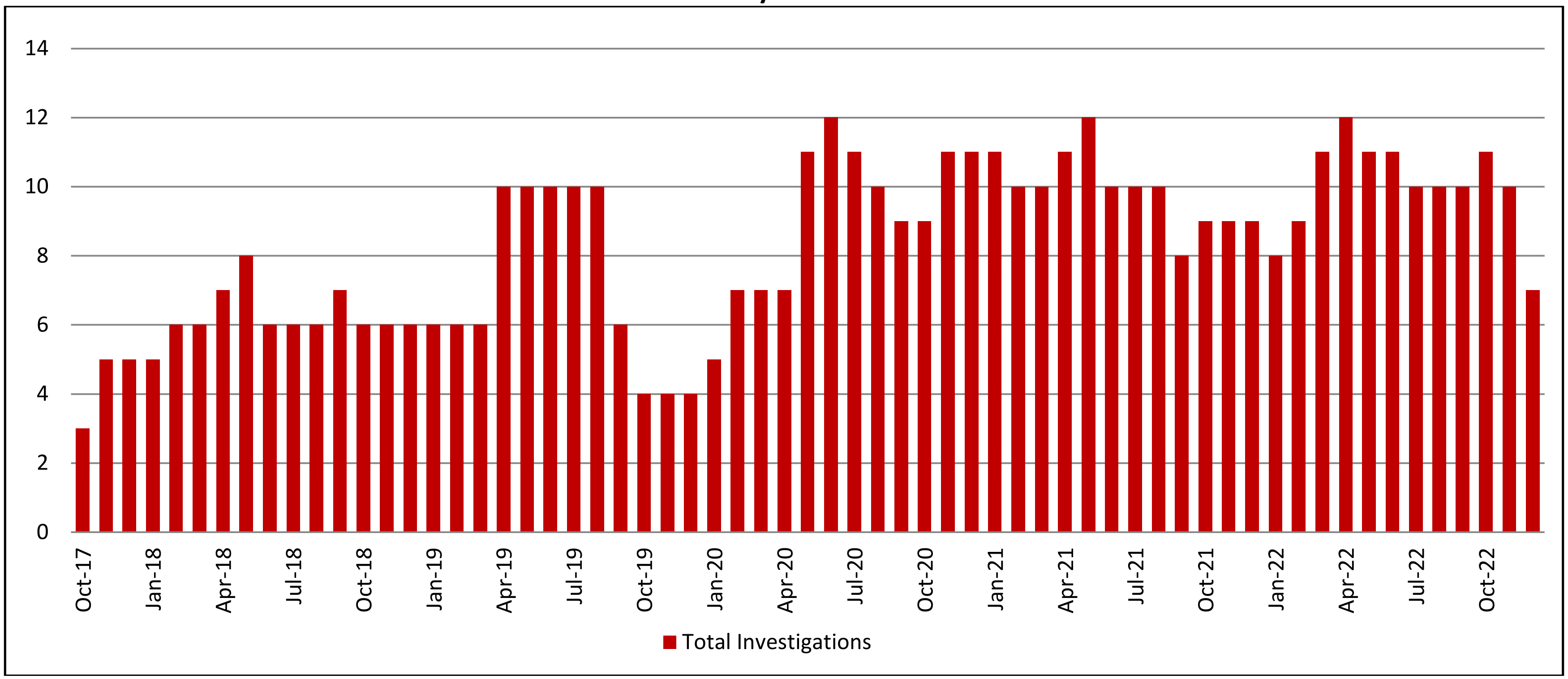
Status	FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2022 Actual	FY 2023 Estimate	FY 2024 Estimate
Instituted	74	59	52	82	71	67	69
Completed	61	60	67	64	90	65	65

Industry and Economic Analysis Investigations Caseload

Instituted, Completed, and Active Recurring Investigations

Status	FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2022 Actual	FY 2023 Estimate	FY 2024 Estimate
Instituted	5	7	10	6	7	8	8
Completed	4	9	5	6	4	7	7
Active Recurring*	6	6	5	5	6	6	6

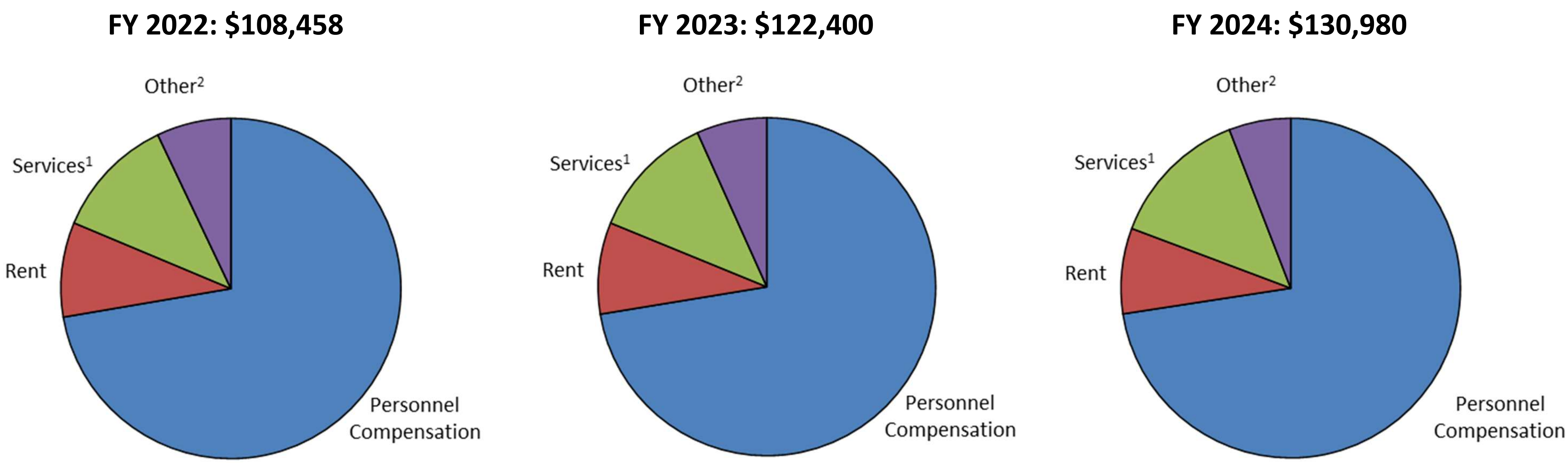
Monthly Active Caseload



*"Active recurring" includes the number of recurring reports (e.g., *Trade Shifts, Recent Trends, Year in Trade*) that were active during the year. For those that are instituted annually, two reports from different years may occasionally be active at the same time.

Obligations: Comparison by Budget Object Classification, Fiscal Years 2022–24

(Dollar amounts in thousands)



CATEGORY OF OBLIGATION		FY 2022 Actual		FY 2023 Request		FY 2024 Request	
		Dollars	Percent of Total	Dollars	Percent of Total	Dollars	Percent of Total
Personnel Compensation		$78,432	72.3%	$90,780	74.2%	$95,033	72.6%
Rent		9,751	9.0%	10,698	8.7%	10,654	8.1%
Services		12,607	11.6%	14,677	12.0%	17,583	13.4%
Other		7,668	7.1%	6,245	5.1%	7,710	5.9%
TOTAL		**$108,458**	**100.0%**	**$122,400**	**100.0%**	**$130,980**	**100.0%**

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

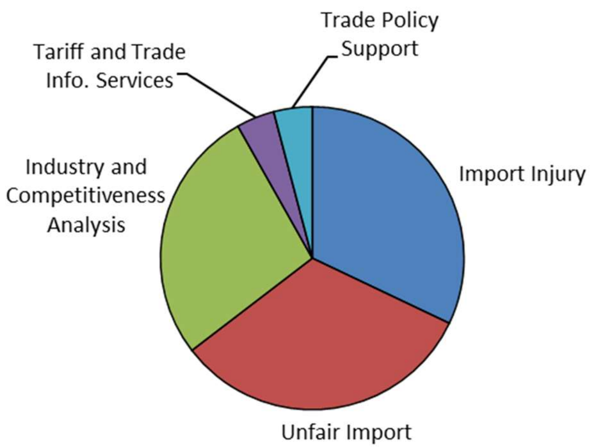
[1] Services include, but are not limited to, obligations for contractor staff (IT service desk, security guards, financial audits), software licenses, and equipment maintenance.

[2] "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.

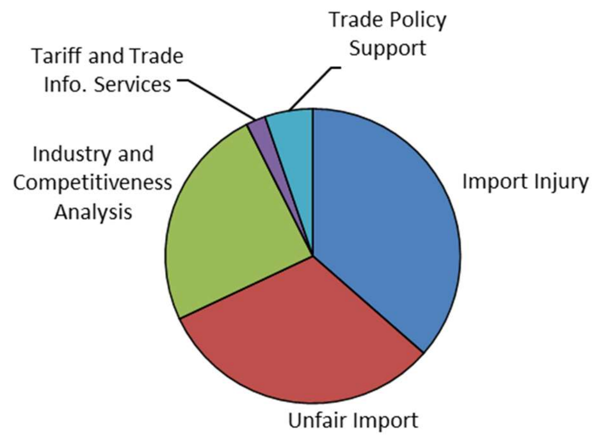
Obligations: Comparison by Strategic Goal, Fiscal Years 2022–24

(Dollar amounts in thousands)

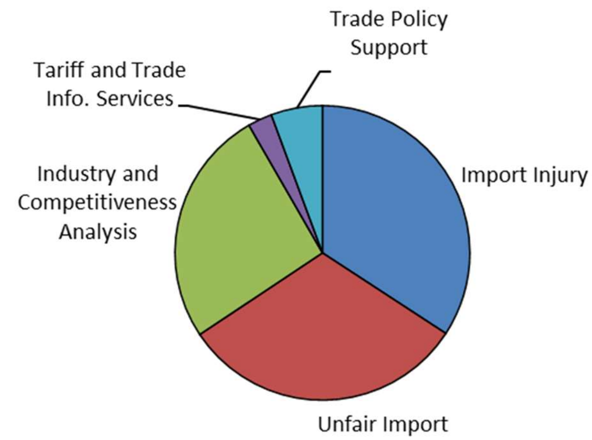
FY 2022: $108,458



FY 2023: $122,400



FY 2024: $130,980



CATEGORY OF OBLIGATION		FY 2022 Actual		FY 2023 Request		FY 2024 Request	
		Dollars	Percent of Total	Dollars	Percent of Total	Dollars	Percent of Total
Trade Remedy Investigations (Strategic Goal 1)							
Import Injury		$34,777	32.1%	$44,633	36.5%	$44,808	34.3%
Unfair Import		35,267	32.5%	38,589	31.5%	41,180	31.4%
Tariff, Trade, and Competitiveness Related Analysis and Information (Strategic Goal 2)							
Industry and Competitiveness Analysis		29,581	27.3%	30,101	24.6%	34,107	26.0%
Tariff and Trade Information Services		4,390	4.0%	2,634	2.2%	3,497	2.7%
Trade Policy Support		4,443	4.1%	6,443	5.3%	7,387	5.6%
TOTAL		**$108,458**	**100.0%**	**$122,400**	**100.0%**	**$130,980**	**100.0%**

Analysis of Change by Budget Object Classification, Fiscal Years 2022–24

(Dollar amounts in thousands)

	FY 2022 Actual	FY 2023 Request	FY 2024 Request	FY 2023–24 Change	Percentage Change
Personnel Obligations	**$78,432**	**$90,780**	**$95,033**	**$4,253**	**4.7%**
Non-personnel Obligations					
Rent	$9,751	$10,698	$10,654	-44	-0.4%
Services	12,607	14,677	17,583	2,906	19.8%
Supplies	1,713	1,997	2,035	38	1.9%
Equipment	3,671	1,770	1,538	-232	-13.1%
Travel	174	411	673	262	63.7%
Training	298	641	789	148	23.1%
Communications and Equipment Rental	1,399	895	2,177	1,282	143.2%
Printing and Reproduction	317	355	343	-12	-3.4%
Official Reception and Representation	2	4	4	0	0.0%
All Other (Transportation, Postage, Land and Structures, Credit Card Rebates)	94	172	152	-20	-11.6%
Subtotal Non-personnel Obligations	**$30,026**	**$31,620**	**$35,947**	**$4,327**	**13.7%**
Total Obligations	**$108,458**	**$122,400**	**$130,980**	**$8,580**	**7.0%**

Summary of Changes from the FY 2023 Budget Request

(Dollar amounts in thousands)

Personnel Obligations

Personnel .... +$4,253

Personnel obligations are expected to increase by about $4.3 million. This funding is required to sustain the human capital investments that we plan to make in FY 2023. Receipt of our FY 2023 budget request of $122.4 million will enable us to begin a long-overdue hiring initiative that will provide staffing levels commensurate with our workload. Our FY 2024 staffing goal is to have an average staffing level (i.e., full-time equivalents, or FTE) of 437. As of late-January 2023, our onboard staffing level is 394, with vacancy rates as high as 25 percent in offices responsible for statutory workload. What was originally expected to be a temporary surge in caseload has proven to be a sustained structural change. The historically high level of import injury activity over the last 5 to 10 years has contributed to a structural increase in the number of AD/CVD orders returning for five-year reviews. For example, the five-year average number of review institutions increased nearly 30% from 17 during 2008–2012 to 22 during 2013–2017, and increased almost 60% to 27 during 2018–2022.

Further, in FY 2022, our section 337 workload reached the highest level of activity to date and due to the number of new investigations filed and the large number of new investigations filed in FY 2021 and carried into FY 2022, we anticipate that there will be a high number of active cases throughout FY 2023 and into FY 2024. Additionally, in FY 2023 we expect the number of new incoming factfinding reports to increase over FY 2022 and remain steady into FY 2024. Lastly, compared to two or three revisions in a typical year, in FY 2022, we published the HTS 17 times to implement multiple tariff changes. We expect that a similar number of revisions will be necessary for FYs 2023 and 2024.

This funding level will also cover an anticipated 4 percent pay raise effective January 1, 2024, and pay for the normal cost of employee promotions, within-grade increases, and increased benefits.

Non-personnel Obligations

Rent..-$44

FY 2024 rent obligations are expected to remain stable; the $44,000 decrease reflects an adjustment to real estate taxes.

Services..+$2,906

Services obligations are expected to increase by $2.9 million. The largest portion of the increase, $1.2 million, is requested to explore and contract for more efficient and effective services and/or service providers for our business systems (financial, procurement, travel, and payroll systems). Additionally, funds are required for cloud computing software and inflationary increases to our software engineering contract, IT service desk, building security guards, and software/hardware licensing.

Supplies..+$38

Supplies obligations reflect an inflationary increase.

Equipment..-$232

Equipment obligations are expected to decrease by $232,000, which reflects the FY 2023 lifecycle replacement of IT equipment that is not included in the FY 2024 request.

Travel..+$262

Travel obligations are projected to increase $262,000 and align with post-pandemic travel expectations. This request will sufficiently fund statutory investigations, anticipated studies, knowledge development in emerging trade issues and priority areas, representational travel to international organization meetings, litigation support, and multilateral and regional agreement negotiation support.

Training..+$148

Training obligations are expected to increase $148,000, which will provide sufficient funding for developing and advancing staff skills and meeting the licensing, certification, and professional education requirements of existing and newly hired staff.

Communications and Equipment Rental .... +$1,282

Communications and equipment rental obligations are expected to increase by nearly $1.3 million. The largest contributor is the recurring annual cost of a second telecommunications circuit and carrier to our datacenter being implemented in FY 2023. Currently, we are dependent upon a single circuit and carrier and if either were to experience prolonged outages, we would be unable to access the majority of our data. Build-out of the second circuit provided by another carrier is planned to start this year and will significantly decrease our risk. Additionally, there is an increase in the recurring cost of our Enterprise Infrastructure Solutions telecommunications contract resulting from increases in managed network and security services, bandwidth, and communications circuits that accommodate higher data, voice, and video usage.

Printing and Reproduction .... -$12

Printing and reproduction obligations are expected to decrease slightly to reflect updated Government Publishing Office requirements.

All Other (Official Reception and Representation, Transportation, Postage, Land and Structures, Credit Card Rebates) **..........-$20**

Postage obligations are expected to decrease.

Net Non-personnel Obligations Changes.. +$4,327

Total Adjustment to FY 2023 Base ($122,400).. +$8,580

Total FY 2024 Budget Request..........................$130,980

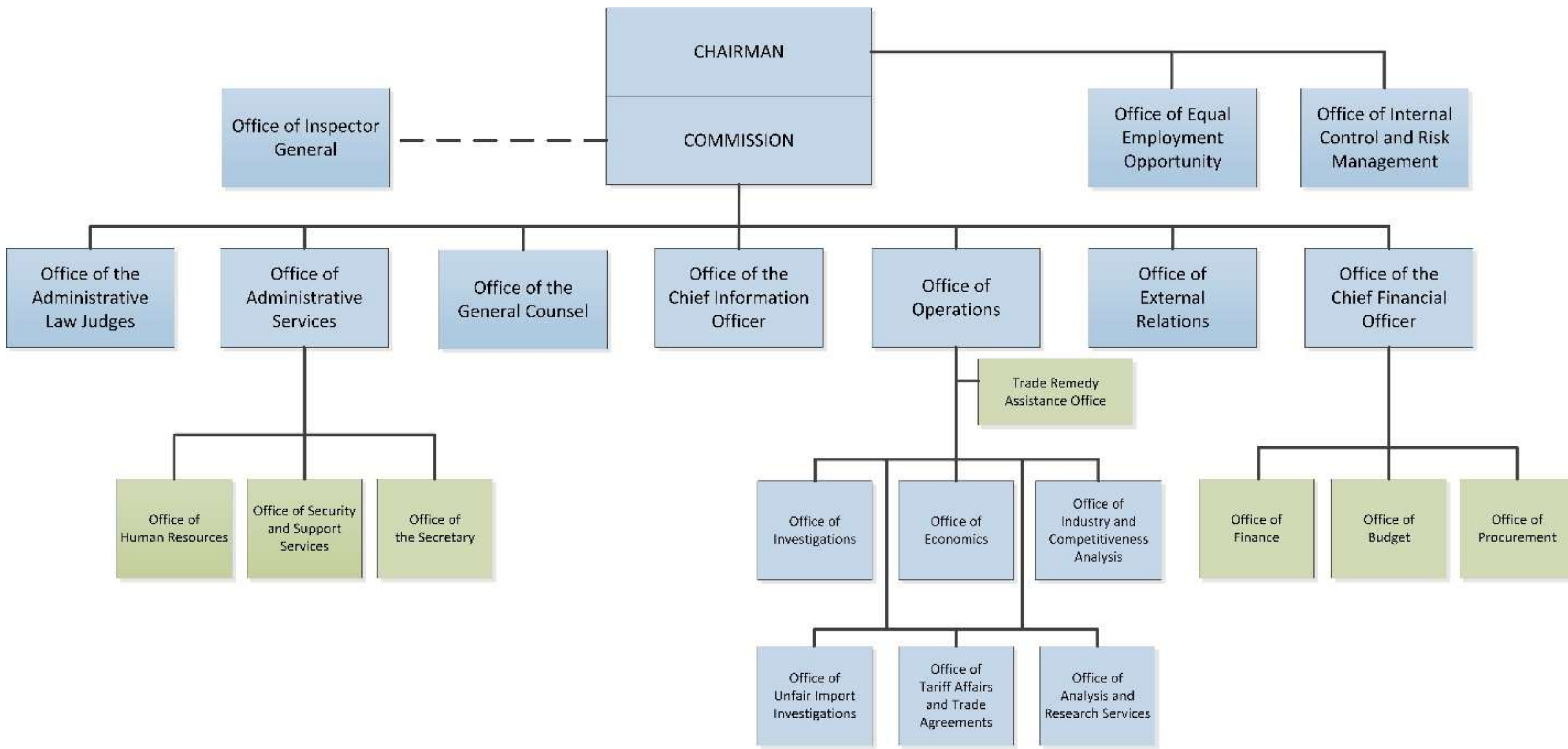
The Commissioners

The USITC is headed by six commissioners, who are nominated by the President and confirmed by the U.S. Senate. David S. Johanson, a Republican, is serving as Chairman of the Commission by operation of law effective June 17, 2022. A Vice Chairman has not been nominated for the current term. Other commissioners currently serving are, in order of seniority, Rhonda K. Schmidtlein, Jason E. Kearns, Randolph J. Stayin, and Amy A. Karpel.[1]

Each commissioner serves a term of nine years, unless appointed to fill an unexpired term. The terms are set by statute and are staggered such that a different term expires every 18 months.[2] 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. Congress's desire to create an independent and nonpartisan Commission is evident in the rules that dictate the composition of the Commission. No more than three commissioners may be members of the same political party. The Chairman and the Vice Chairman are designated by the President[3] 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 two Republicans serve as commissioners.

[1] Currently, there is one vacancy.
[2] 19 U.S.C. § 1330.
[3] If the President does not designate a Chairman, the senior commissioner of the relevant political party serves as Chairman, by operation of law.

U.S. International Trade Commission Office-level Organization Chart



Current Permanent and Term Staffing Plan and Target Staffing Levels

Office	Permanent and Term Positions		
	FY 2023 Staffing Plan	Onboard as of 1/23/2023	Gap
Commissioners	38	29	9
External Relations	4	3	1
Internal Control & Risk Management	4	4	0
Inspector General	5	3	2
General Counsel	53	48	5
Administrative Law Judges	26	24	2
Equal Employment Opportunity	2	3	-1
Chief Information Officer	38	35	3
Subtotal: Other Offices	**170**	**149**	**21**
Operations	7	6	1
Analysis and Research Services	28	24	4
Investigations	31	30	1
Unfair Import Investigations	25	23	2
Economics	44	33	11
Tariff Affairs and Trade Agreements	14	12	2
Industry and Competitiveness Analysis	76	62	14
Subtotal: Operations	**225**	**190**	**35**
Chief Financial Officer	2	1	1
Budget	3	3	0
Finance	7	7	0
Procurement	6	6	0
Subtotal: Chief Financial Officer	**18**	**17**	**1**
Administrative Services	5	4	1
Human Resources	12	9	3
Security and Support Services	11	8	3
Secretary and Dockets	20	17	3
Subtotal: Administrative Services	**48**	**38**	**10**
Commission Total	**461**	**394**	**67**

Note: We are constantly evaluating our workload and aligning resources to meet emergent needs. In the short term, we may approve requests for staffing that exceed office allocations to meet workload challenges. If those workload challenges persist, we may make the adjustment permanent by shifting positions. Furthermore, end-of-Q1/beginning-of-Q2 staffing levels typically reflect the lowest point for staffing due to year-end retirements.

The End.

500 E Street, SW
Washington, DC 20436