

UNITED STATES INTERNATIONAL TRADE COMMISSION

BUDGET JUSTIFICATION: FISCAL YEAR 2011



Table of Contents

Alphabetical Listing of Abbreviations	iv
Fiscal Year 2011 Budget Justification for the U.S. International Trade Commission	1
General Statement	1
Mission	1
Activities in Brief.....	2
Fiscal Year 2011 Budget Highlights	3
The Elevated Caseload for Intellectual Property-Based Import Investigations Required the Acquisition of an Additional Courtroom	5
The Commission is Addressing Challenges to its Internal Operations.....	7
Management Initiatives for FY 2010–2011	9
Financial Management Issues Are Being Addressed.....	9
Mandatory Continuity of Operations Plans Require Significant Resource Allocation.....	10
Open Government Initiatives Will Improve Public Access and Mission Accomplishment	11
Strategic Human Capital Planning to Assure Continued High Performance	12
Fiscal Year 2011 Requested Appropriation Language for the U.S. International Trade Commission	14
Strategic Operation No. 1: Import Injury Investigations	15
Antidumping and Countervailing Duty Investigations	16
Sunset Reviews.....	17
Other Import Injury Investigations.....	19
Litigation.....	20
Resource Requirements and Workload for Import Injury Investigations	21
Strategic Operation No. 1: Import Injury Investigations Resource Requirements, Fiscal Years 2009, 2010, 2011.....	22
Strategic Operation No. 1: Import Injury Investigations Caseload.....	23

Strategic Operation No. 2: Intellectual Property-Based Import Investigations	24
Resource Requirements and Workload for Intellectual Property-Based Import Investigations	26
Strategic Operation No. 2: Intellectual Property-Based Import Investigations Resource Requirements, Fiscal Years 2009, 2010, 2011.....	28
Strategic Operation No. 2: Intellectual Property-Based Import Investigations Caseload.....	29
Strategic Operation No. 3: Industry and Economic Analysis.....	30
Statutory Investigations	30
Other Industry and Economic Analysis Activities	35
Workload Expectations in FY 2010 and 2011.....	37
Resource Requirements and Workload for Industry and Economic Analysis.....	38
Strategic Operation No. 3: Industry and Economic Analysis Resource Requirements, Fiscal Years 2009, 2010, 2011.....	39
Strategic Operation No. 3: Industry and Economic Analysis Investigations Caseload.....	40
Strategic Operation No. 4: Tariff and Trade Information Services.....	41
Maintenance of the Harmonized Tariff Schedule of the United States	41
Legislative Reports.....	43
Interactive Tariff and Trade DataWeb	43
International Trade Data System	45
Resource Requirements for Tariff and Trade Information Services.....	45
Strategic Operation No. 4: Tariff and Trade Information Services Resource Requirements, Fiscal Years 2009, 2010, 2011.....	46
Strategic Operation 5: Trade Policy Support	47
Resource Requirements for Trade Policy Support.....	49
Strategic Operation No. 5: Trade Policy Support Resource Requirements, Fiscal Years 2009, 2010, 2011	50
Information Technology	51
Major Ongoing Information Technology Initiatives	52
Indirect Costs.....	56

Office of the Inspector General	58
Budget Data	
Dollar Cost: Comparison by Object Classification, Fiscal Years 2009, 2010, 2011	59
Budget Formulation by Object Classification, Fiscal Years 2009, 2010, 2011.....	60
Analysis of Change	
Analysis of Change by Object Classification, Fiscal Years 2009, 2010, 2011	61
Summary of Increases/Decreases Presented in Analysis of Change (Fiscal Years 2010 and 2011).....	62
Operation Costs	
Dollar Cost: Comparison by Strategic Operation, Fiscal Years 2009, 2010, 2011.....	64
Workyears: Comparison by Strategic Operation, Fiscal Years 2009, 2010, 2011.....	65
Budget Summary by Strategic Operation, Fiscal Years 2009, 2010, 2011	66
Workyears by Activity and Office, Fiscal Year 2009	67
Human Resources Data	
Fiscal Year 2009 U.S. International Trade Commission Organization	68
Commission Approved Staffing Plan, Fiscal Years 2009, 2010, 2011	69
Total Labor Cost/Workyears by Office, Fiscal Year 2009.....	70
United States International Trade Commission	
Fiscal Year 2010 and 2011 Performance Plans	71

Alphabetical Listing of Abbreviations

AD	Antidumping	HTSA	Harmonized Tariff Schedule of the United States Annotated
ALJs	Administrative Law Judges	IT	Information Technology
CIT	U.S. Court of International Trade	ITDS	International Trade Data System
Commerce	Department of Commerce	JICE	Journal of International Commerce and Economics
Commission	U.S. International Trade Commission	MTBs	Miscellaneous Tariff Bills
COOP	Continuity of Operations	NAFTA	North American Free Trade Agreement
Customs	U.S. Customs and Border Protection	OCIO	Office of the Chief Information Officer
CVD	Countervailing Duty	OEEEO	Office of Equal Employment Opportunity
DataWeb	Interactive Tariff and Trade DataWeb	OGC	Office of the General Counsel
EDIS	Electronic Document Information System	OIG	Office of the Inspector General
Federal Circuit	U.S. Court of Appeals for the Federal Circuit	OMB	Office of Management and Budget
FISMA	Federal Information Security Management Act	OPM	Office of Personnel Management
FTAs	Free Trade Agreements	OUII	Office of Unfair Import Investigations
FY	Fiscal Year	SHCP	Strategic Human Capital Plan
GATT	General Agreement on Tariffs and Trade	The Byrd Amendment	Continued Dumping and Subsidy Offset Act
GSP	Generalized System of Preferences	USTR	United States Trade Representative
HTS	Harmonized Tariff Schedule of the United States	WTO	World Trade Organization

Fiscal Year 2011 Budget Justification for the U.S. International Trade Commission



General Statement

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

Mission

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

Activities in Brief

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

The Commission has five major strategic Operations that serve its customers: 1) Import Injury Investigations, 2) Intellectual Property-Based Import Investigations, 3) Industry and Economic Analysis, 4) Tariff and Trade Information Services, and 5) Trade Policy Support. Detailed goals for each strategic Operation are presented in the Fiscal Year 2010 and 2011 Performance Plans (see attached).

Import injury investigations and intellectual property-based import investigations are distinct investigative regimes with specific and detailed procedures provided in authorizing legislation. Industry and economic analysis, tariff and trade information services, and trade policy support are based upon general authorizing legislation with broad discretion delegated to the Commission. The Commission conducts import injury investigations and industry and economic analysis by assigning an interdisciplinary team to each investigation, thereby combining the skills of the Commission's investigators, international trade analysts, economists, auditors, lawyers, and statisticians. The knowledge, skills, and abilities developed and maintained in the analytical and data strategic Operations (3, 4, and 5) and those developed and maintained in the primarily investigative strategic Operations (1 and 2) reinforce one another. Commission personnel frequently contribute to activities in more than one operation.

Fiscal Year 2011 Budget Highlights

For fiscal year (FY) 2011, the Commission requests \$87.0 million to support its authorized strategic Operations. The FY 2011 request represents a 5.2 percent increase over the FY 2010 appropriation request of \$82.7 million, and a 6.3 percent increase over the FY 2010 final appropriation of \$81.9 million. The increase is primarily due to the acquisition of additional space to meet workload demands and implementation of legislative requirements for a Continuity of Operations (COOP) Plan, as well as required increases in salaries and benefits.

The Commission's FY 2011 appropriation request consists of salaries (52.6 percent), benefits (13.7 percent), rent (12.4 percent), various support services (12.6 percent), and other (8.8 percent). (See Dollar Cost: Comparison by Object Classification, p. 59.)

The Commission projects that salaries of permanent personnel will increase by 5.5 percent, or \$2.3 million over the FY 2010 Expenditure Plan based on: 1) a projected locality-adjusted 3 percent Federal pay raise for FY 2011, 2) normal promotions and within grade increases, and 3) ongoing recruitment efforts to fill vacancies in key areas.

The Commission has made significant progress in filling key positions in response to an increase in its intellectual property caseload, and in reducing the targeted size of certain offices. It has reduced its vacancy rate from an unsustainable FY 2006–2008 average of about 14 percent to less than 10 percent by the end of FY 2009. At the same time, it has reduced the number of positions in certain offices after a thorough review of its Strategic Human Capital Plan (SHCP).

Assuming it obtains its requested FY 2011 appropriation, the Commission anticipates it can reduce its vacancy rate to 5 percent, which reflects normal turnover. The Commission will achieve the reduction by filling critical positions and continuing to eliminate unneeded positions. Recruitment and training of new staff is particularly important to succession planning efforts since over one third of the Commission's permanent personnel is within five years of retirement eligibility.

The Commission projects benefits costs in FY 2011 to increase by 6.7 percent, or \$746,000, due to the Federal pay raise, increases in health care costs, higher staffing levels, and a continuing shift from the Civil Service Retirement System to the more expensive (to the Commission) Federal Employees Retirement System.

The Commission has succeeded in procuring new space on the second floor of its building to support the expanding intellectual property caseload. The Commission's rent obligation for FY 2010 will be lower than projected by about \$825,000 because annual lease costs were less than anticipated and the Commission will not acquire the additional space until at least midyear FY 2010, rather than the beginning of FY 2010.

The reallocation of the \$825,000 is necessary to address pressing financial management needs identified by the FY 2009 independent financial statement audit. Administrative services for FY 2010 have increased significantly over last year's projections to support financial management review, internal controls development, and human capital planning for the Office of Administration. Additionally, some of these funds have been redistributed to Office of the Chief Information Officer (OCIO) services and equipment cost centers to facilitate the implementation of long-delayed but critical hardware, software, and security upgrades. The Commission expects to see residual costs from these initiatives into FY 2011.

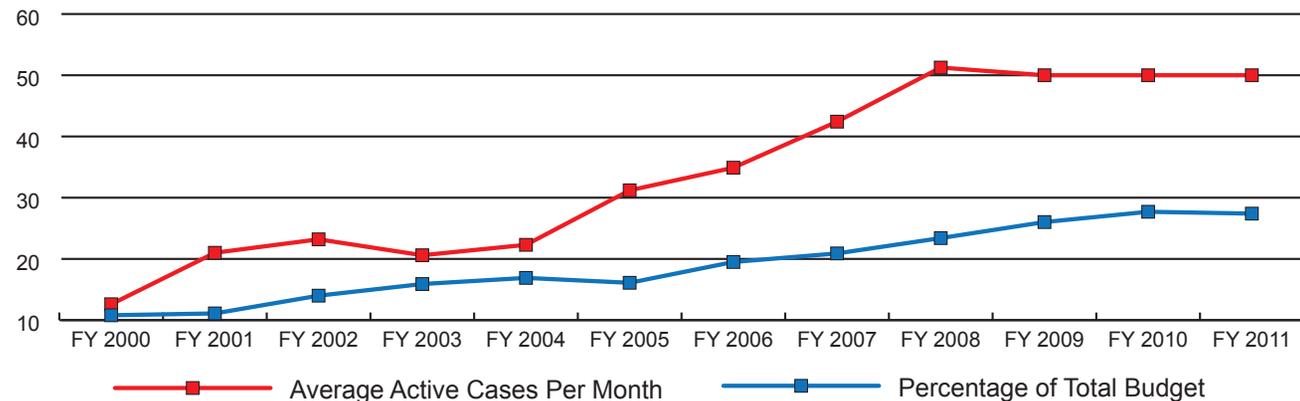
Rent is projected to increase by 6.9 percent, or \$700,000, in FY 2011 to fund a full year's rent for the second floor. Renovations of the second floor, including the development and build-out of the additional courtroom, will be funded in FY 2010. However, renovation costs will remain elevated in FY 2011 as the Commission addresses overcrowding throughout its building.

The Commission's costs are predominantly recurring and non-discretionary. Thus, inadequate funding would force reductions that could threaten the Commission's ability to fully and effectively fulfill its mission at a time when the Commission's workload is expected to increase.

The Elevated Caseload for Intellectual Property-Based Import Investigations Required the Acquisition of an Additional Courtroom

The intellectual property-based import investigations caseload has more than tripled since FY 2000. The caseload reached a historic high in FY 2008 and has remained at an elevated level since that time. This elevated caseload is attributable, in substantial part, to greater appreciation among intellectual property owners and their counsel of the level of expertise that the Commission possesses in the area of complex intellectual property litigation. The Commission's commitment to prompt resolution of patent cases, usually completing the entire administrative process within 18 months of the filing of the complaint, makes these proceedings very attractive to patent holders in areas of rapid technological change. The Commission can also provide meritorious complainants with injunctive relief that is increasingly difficult to obtain in other fora, including the unique remedy of excluding articles from entry into the United States.

Operation 2: Intellectual Property-Based Import Investigations: Caseload and Resource Allocation, Fiscal Years 2000–2011



The rapid increase in the caseload, along with difficulties in hiring and retaining qualified administrative law judges (ALJs), put a serious strain on the Commission in recent years. Thanks to the support of the Congress, the Commission was able to hire additional ALJs to handle the increased caseload. The Commission remains concerned about potential ALJ retirements, a declining applicant pool, and difficulties in obtaining highly qualified candidates for these specialized ALJ positions under the current recruitment and hiring constraints of the Office of Personnel Management (OPM) process. The nature of this process, and the concomitant difficulties the Commission has experienced in filling ALJ positions, suggests that the Commission may need statutory or regulatory relief from the constraints of the OPM system for recruiting and hiring ALJs.

Once the additional ALJs were hired, the Commission tackled the next challenge—the capacity constraint of office space and courtrooms. Again with support from the Congress, funds were made available in FY 2008 to expand the ALJ suite to accommodate the doubling of staff. This required other offices to shrink, at least temporarily, until additional space could be acquired, preferably in the Commission’s current building. The acquisition of additional space was difficult and took more time as this required coordinated efforts with General Services Administration (GSA) and negotiations with the building owner, Boston Properties.

The Commission has occupied space at 500 E Street SW since the building was constructed in 1987. Until FY 1995, the Commission occupied the first seven floors. Due to declining workload and a cut in funding, in 1995 the Commission vacated the second floor where there were additional courtrooms, the Office of the ALJ, and some other smaller units. At that time, the Commission had only three ALJs and between 10 to 15 active section 337 proceedings and was able to operate with the two ALJ courtrooms on the ground floor. As noted above, the Commission now has six ALJs and has averaged over 50 active cases per month since January 2008. With more judges and more cases, lack of available courtroom space to hold trials and other proceedings hinders the Commission’s ability to complete cases in a timely manner.

The Commission now has a lease for the second floor space and will take possession of that space and begin renovating it by the end of FY 2010. The Commission could not have accomplished this without strong support from the Congress. The additional funds provided in FY 2010 will allow the Commission to pay the increased rent, as well as the cost of building out the space for a third courtroom and other offices. The precise timing of that transfer depends on the timing of the current tenant’s departure

(sometime between March 1 and September 1, 2010). Nonetheless, by the beginning of FY 2011, the Commission will incur a full year's rent for the second floor space (just over \$1.5 million per year). While the renovations to the second floor space and the development of the courtroom will be funded in FY 2010, related renovations will be necessary to rebalance space on other overcrowded floors as some offices relocate to the second floor in FY 2011. Thus, the Commission projects additional one-time renovation costs of about \$600,000 will be incurred in FY 2011.

The Commission is Addressing Challenges to its Internal Operations

The Commission has a long record of fiscal restraint and prudent use of taxpayer funds. Increased funding requests have been reasonable and tied to the statutory mission, specific workload challenges, and specific projects. When the Congress has provided funds, the Commission has met its challenges and completed its projects. For example, the Commission has received significant increased funds in recent years to address its increased intellectual property workload, major infrastructure improvements to the Electronic Document Information System (EDIS), and the purchase of a new financial system. While each of these efforts posed challenges in implementation, the Commission has always used the additional funds to meet the challenges that justified the increased funding. Moreover, when the anticipated challenges did not materialize, such as the projected increase in import injury caseload during FY 2005–2006 due to the peak of the sunset cycle, the Congress was promptly notified of the change in circumstances and the Commission's pending appropriation request was reduced accordingly.

In the last several years, the major challenges faced by the Commission have been external—increased caseload and the information technology (IT) infrastructure used to manage those cases and interact with parties to Commission proceedings. Now that the intellectual property caseload has stabilized and personnel have been rebalanced to meet that challenge, the Commission needs to focus on critical internal challenges that have been deferred due to the increased caseload. These challenges include network operations, financial management, and continuity planning. Funding for these activities has been deferred due to budget constraints and more mission-critical priorities.

The FY 2010 expenditure plan and the FY 2011 appropriation request represent a significant commitment to meeting these internal challenges. Funding is provided in FY 2010, and is requested in FY 2011, to rebuild the Commission's aging network infrastructure, improve security, and complete the replacement of desktop equipment. Similarly, the Commission is aggressively addressing financial management challenges in FY 2010 by providing additional resources to monitor and evaluate financial performance and to ensure timely production of clean financial statements. Further, the Commission is developing an enhanced and rigorous system of internal control that will include financial operations, but also security and program operations. Finally, the FY 2011 appropriation request seeks almost \$1 million in funding to begin addressing a major challenge to the Commission's operations—the lack of a comprehensive COOP Plan and an alternate facility for reconstitution of the Commission's network infrastructure and essential functions. This deficiency has been noted by the Inspector General in annual information security reviews for several years, but requires a significant commitment of resources over several years to remedy.

Management Initiatives for FY 2010–2011

The Commission's management initiatives, intended to improve the quality of its performance and delivery of services to the Commission's customers, are: 1) Financial Management, 2) Continuity of Operations Planning, 3) Open Government Initiatives, and 4) Strategic Human Capital Planning. The Commission has addressed each initiative with an approach to maximize its value.

Financial Management Issues Are Being Addressed

Prior to this year, the Commission received clean financial statement opinions from independent outside auditors in each year after the Accountability of Tax Dollars Act of 2002 implemented the current Inspector General financial statement audit process. In FY 2009 the Commission experienced difficulties in transitioning to a new system for recording, monitoring, and reconciling its financial transactions. As a result, the Commission was unable to generate year-end financial statements within the tight time constraints required by Office of Management and Budget (OMB). The inability to obtain timely and sufficient financial statements meant the auditors could not express an opinion on the FY 2009 financial statement. Thus, the Commission received a disclaimer for its financial statements for FY 2009.

The Commission is committed to the integrity of its financial information, including the principles and objectives of the Federal Managers' Financial Integrity Act and the Accountability of Tax Dollars Act of 2002, the accounting principles approved by the Federal Accounting Standards Advisory Board, and the guidance provided in OMB Circulars A-123 (Management's Responsibility for Internal Control) and A-136 (Financial Reporting Requirements).

The Commission has implemented a compliance action plan to complete the closeout of its FY 2009 books and to take corrective actions intended to remedy the identified weaknesses in its internal controls and financial systems. With these efforts, the Commission intends to return to good standing during FY 2010 and to ensure that its future financial statements are timely and accurate. The Commission is preparing for a re-audit of the FY 2009 financial statements and anticipates completion of the audit by the end of March 2010. The Commission is currently soliciting bids on a contract to

evaluate the Commission's current internal controls and develop a comprehensive internal control system that complies with guidance in OMB Circular A-123 and other applicable financial laws and regulations. Furthermore, the Commission is undertaking a review of its organizational structure to ensure that adequate resources are allocated to financial management. Meanwhile, the Commission is using contractors to fill temporary gaps in functions.

Mandatory Continuity of Operations Plans Require Significant Resource Allocation

The most significant new project requiring funding in FY 2011 is implementation of a COOP Plan. Federal departments and agencies are under a Federal Information Security Management Act (FISMA) mandate to develop and implement COOP Plans and capabilities. The Commission has one facility and one network. Any disaster that would render the facility or network unusable would prevent the Commission from accomplishing its mission. A COOP Plan is designed to address this problem. The completion of this project has been delayed for several years due to lack of funding and has been noted as a significant deficiency in the Commission's annual FISMA review. The Commission's COOP planning contemplates a phased approach to implementation of actionable plans. As both initial setup and ongoing operations are incremental to the Commission's routine operations, taking a phased approach permits spreading the burden of expenses and resource commitments over time.

In FY 2010 the Commission will address two major components of an effective COOP capability. First, the Commission will identify critical IT and operational infrastructure. This identified infrastructure includes an expanded capacity to support telecommuting, an off-site space suitable to host a backup network, and space to process document filings. Second, the Commission will recruit a full-time COOP Coordinator to produce the Commission's comprehensive COOP Plan. The COOP Plan will address risk analysis, identification of the key functions directly supporting mission goals and their continuity requirements, response procedures, and chain of command and reconstitution scenarios.

Full funding for this project is needed in FY 2011 to: 1) finalize the Commission's draft COOP Plan, 2) engage in theoretical and physical testing of the plan, 3) acquire an alternate operating facility, and 4) acquire and install a backup network capability. Full compliance with COOP mandates will require several years of significantly higher resource allocations.

Open Government Initiatives Will Improve Public Access and Mission Accomplishment

The Commission considers open government goals during the initiation phase of every major IT project and in its investment review process. The Commission embraces technological solutions that improve customer service and streamline internal processes. In FY 2009 the Commission achieved open government improvements through three major technological initiatives: 1) release of a reengineered EDIS, 2) deployment of the HTS Online Reference Tool, and 3) deployment of a redesigned Commission website.

EDIS is the central repository for all documents filed in support of investigations conducted by the Commission. EDIS offers a secure facility for electronic submission of documents not required to be filed in paper form under Commission regulations. Paper documents are scanned and entered into EDIS by Commission personnel. EDIS also offers public access to the history of filings and related summary information, with extensive safeguards to protect confidential and privileged information. In FY 2009 a newly reengineered EDIS delivered significant improvements in overall performance, usability, and reliability to the Commission and to public users. The revised EDIS added a new home page on the Web which provides centralized access to all EDIS functions, allows users to subscribe to automatic notifications of new document submissions on a case-by-case basis, and incorporates enhancements to the document approval process for improving case management. In FY 2010 the Commission will continue enhancing EDIS in the critical area of security, and will consider rule changes to expand the categories of documents eligible for electronic submission.

In FY 2009 the HTS Online Reference Tool provided users a web-based source for HTS-related information, substantially improving electronic access to the 3,000-page HTS. Features include: 1) direct links to classification rulings by U.S. Customs and Border Protection (Customs), 2) cross references which enable users to move from an HTS item in chapters 1–97 to the temporary, seasonal, or special situation tariff that applies for that item as listed in Chapter 99, and 3) direct links to footnotes, allowing users to move from the footnote number in the text directly to the footnote itself. Search improvements include lookup by word, word combinations, or HTS number, and an extensible thesaurus permitting cross-referencing and common language lookup. In FY 2010 further

enhancements to HTS will include a database upgrade to improve security, speed, and efficiency, along with additional improvements to content and search capabilities, notably, the ability to search previous versions of the HTS.

The redesign of the public website (<http://www.usitc.gov>) in FY 2009 has demonstrably improved user satisfaction, with enhanced navigation and search facilities. Additionally, expanded use of new technology for website management allows web content managers in Commission offices to update and refresh published data with improved accuracy and timeliness, and without extensive reliance on IT resources.

The Commission is aggressively implementing OMB's Open Government Directive. The Directive contains a number of requirements and deadlines, including the identification and online publication of three new data sets not previously published and development of a plan to achieve open government objectives. Historically, the Commission has maintained an open posture, with extensive publication of wide-ranging information on nearly every aspect of its operations. Nevertheless, the Commission is developing plans to identify and publish three new "high-value data sets" in conformance with the Directive. This information will relate to key Commission functions and will be information that can: 1) be used to increase accountability and responsiveness, 2) improve public knowledge of the Commission and its operations, 3) further the core mission of the Commission, and 4) respond to needs and demands of public customers. This effort will be led by senior executives of the Commission who will be accountable for the quality and objectivity of all public data and will participate in inter-agency working groups established by OMB.

Strategic Human Capital Planning to Assure Continued High Performance

The Commission's ability to accomplish its mission is directly tied to the quality and competency of its workforce, which includes many highly skilled professionals. Personnel costs account for almost 70 percent of the Commission's budget. Therefore, it is critically important that the Commission manage its human capital strategically. The SHCP is an essential component of the Commission's strategic planning. It serves to: 1) define human capital goals, 2) summarize the projected changes in the workforce assets, 3) identify strategies to achieve the human capital goals, and 4) present an action plan for implementing the intervention strategies. The purpose of the SHCP is to help the

Commission anticipate future human capital issues and begin taking steps today to resolve those issues or to be prepared to better respond to them when they arise. These initiatives will ensure that the key priorities described in the plan are achieved.

The Commission expects the SHCP to be a living, evolving document that will be modified as the Commission reevaluates its mission in light of experience and changing external circumstances. Accordingly, the Commission's Strategic Planning Committee, which is composed of senior managers, completed a bi-annual review of the SHCP in FY 2009 and recommended a number of changes to the plan. Among the recommendations was a reduction in permanent staffing, organizational changes to provide for better management and oversight of various functions, and a comprehensive independent consultant's analysis of the intellectual property strategic Operation. The Commission is currently reviewing the consultant's report and intends to implement certain recommendations by the end of March 2010. Upon completion of this review, the Commission will undertake a similar review of administrative functions. To facilitate this ongoing process, the Commission has allocated FY 2010 funds to develop options specific to its Office of Administration. The Commission will notify the Congress in advance of proposed organizational changes as necessary.

Fiscal Year 2011 Requested Appropriation Language for the U.S. International Trade Commission

Salaries and Expenses

“For necessary expenses of the U.S. International Trade Commission, including hire of passenger motor vehicles and services as authorized by 5 U.S.C. 3109, and not to exceed \$2,500 for official reception and representation expenses, \$87,000,000 to remain available until expended.”

Strategic Operation No. 1: Import Injury Investigations

Strategic Operation No. 1 covers the Commission's investigations into the effects of unfairly traded imports or an increase in imports on a U.S. industry and appellate litigation to defend Commission decisions. These include:

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

All but one of the Commission's import injury caseload in FY 2009 consisted of investigations falling under title VII. The one exception was a China safeguard investigation under section 421.

New import injury investigations usually are initiated in response to a petition for relief filed on behalf of a domestic industry. Reviews of outstanding AD/CVD orders are conducted every five years as long as the orders remain in effect. Overall caseload for import injury investigations averaged around 13 active cases per month from FY 2007 through 2009. New investigations increased as a result of economic weakness during the second half of FY 2009. As virtually all of these new investigations resulted in affirmative determinations, their return for final investigations, along with the return of transition sunset cases, is expected to increase caseload for FY 2010 and 2011 relative to recent years.

Antidumping and Countervailing Duty Investigations

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

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

In FY 2008 and 2009 the number of preliminary AD/CVD investigations, which reflect new filings, was more than double the number in FY 2006 and equal to or higher than the level in FY 2007. The Commission experienced an increase in new filings in the second half of FY 2009, with 12 of the 15 new filings occurring during that time. This is consistent with observed increases in new filings historically during periods of economic weakness. The Commission projects new filings in FY 2010 and 2011 to remain at levels similar to that in FY 2009 and completed investigations in FY 2010 to be higher than in FY 2009 reflecting the completion of cases filed late in FY 2009. In FY 2009 the Commission instituted 15 preliminary and 8 final AD/CVD investigations and completed 10 preliminary and 13 final investigations. Most notable among the final investigations instituted in FY 2009 were the AD/CVD investigations concerning oil country tubular goods from China which involved a U.S. market valued at \$11.6 billion in 2008. The Commission projects a caseload of 16 preliminary and 15 final investigations instituted and 16 preliminary and 15 final investigations

completed both in FY 2010 and 2011. (See Strategic Operation No. 1: Import Injury Investigations Caseload, p. 23.) The Commission charged 28.5 workyears of direct labor to AD/CVD investigations in FY 2009. (See Workyears by Activity and Office, p. 67.)

Sunset Reviews

In sunset reviews, the Commission evaluates whether material injury to a U.S. industry would likely continue, or recur, if the AD/CVD order under review were to be revoked. A review must be conducted on each AD/CVD order every five years as long as the order remains in effect. Reviews may be terminated by Commerce because of the domestic industry's lack of response to the notice of initiation. When a review is terminated, the underlying order is revoked. If the review is not terminated, the Commission will conduct either an expedited or a full review. The Commission may conduct expedited reviews when it finds that responses of domestic and/or foreign interested parties to the notice of institution are inadequate. A full review occurs when there is adequate participation from both sides or when the Commission otherwise finds a full review is warranted. Generally, the Commission must complete expedited reviews within five months of institution and full reviews within 12 months of institution. The workload in expedited reviews is most intense during the final two months, while the workload in full reviews is most intense during the final six months.

When the requirement for sunset review was first established, during the transition period from 1999 to 2001, more than 300 AD/CVD orders issued prior to 1995 (transition orders) were reviewed by the Commission. The transition orders that remained in effect as a result of the first round of reviews returned for the second round of reviews beginning in January 2004. The number of transition sunset reviews reached sustained high levels in FY 2005 and 2006, and ended in January 2007, with more than 150 orders reviewed by the Commission. During FY 2008 there were no transition sunset reviews. The third round of transition sunset reviews began in FY 2009 and will continue through FY 2011. While the number of transition orders to be reviewed has decreased, as compared to the first and second rounds, the total number of review cases in FY 2010 and 2011 will rise because the number of non-transition cases will be higher than in the previous rounds.

During FY 2009 the Commission instituted 11 grouped sunset reviews. In addition, three reviews were terminated by Commerce, and the orders revoked because of no domestic industry response. For the remaining cases, the Commission determined to conduct eight full reviews and three expedited reviews. The Commission completed five full reviews and four expedited reviews during the year. (See Strategic Operation No. 1: Import Injury Investigations Caseload, p. 23.) Two notable five year reviews conducted by the Commission in FY 2009 involved steel concrete reinforcing bar (rebar) from Turkey and carbon steel plate from China, Russia, and Ukraine. The U.S. markets for these products were \$5.8 billion in 2007 for rebar and \$8.8 billion in 2009 for carbon steel plate. The Commission charged 11.8orkyears of direct labor to sunset reviews in FY 2009. (See Workyears by Activity and Office, p. 67.)

Sunset reviews must be instituted five years after an AD/CVD order is issued or continued; consequently, the sunset caseload can be projected with relative accuracy five years in advance. While sunset caseload is reasonably certain, the conduct of each individual proceeding (full review, expedited review, or termination because of no domestic industry) is not. Thirteen of the 21 reviews that will be instituted in FY 2010 will be non-transition reviews; that is, reviews of orders issued after 1995. However, the majority of reviews that will be instituted in FY 2011 will be transition reviews. In planning resource allocations for sunset reviews, the Commission assumes that the same type of review (expedited or full) will occur in the second or third round as occurred in the previous round, unless the order at issue has never been the subject of a full review. For initial reviews, the Commission follows historical trends and assumes that multi-country orders will receive full review and the remainder will be split between expedited reviews and those that are terminated because of no domestic interest. Applying this estimation method to the scheduled reviews, the Commission anticipates institution of 14 full reviews and 7 expedited reviews in FY 2010. In FY 2011 the Commission expects to institute 36 reviews, with 26 being full and 10 being expedited. (See Strategic Operation No. 1: Import Injury Investigations Caseload, p. 23.) The Commission assumes that on average about two reviews per year will be revoked by Commerce due to lack of domestic interest. Reviews initiated in FY 2010 will cover 53 orders and those initiated in FY 2011 will cover 80 orders.

Other Import Injury Investigations

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

There have been no new global safeguard petitions filed under section 201 of the Trade Act of 1974 in the last six years. In FY 2009 the Commission did not initiate any global safeguard investigations or any changed circumstances reviews. However, in FY 2009 the Commission did conduct one China safeguard investigation, in addition to two remand investigations in which the record was reopened. The China safeguard investigation covered certain passenger and light truck tires. The U.S. market for those tires is valued at \$16.5 billion. The Commission charged 1.8 workyears of direct labor to other import injury investigations in FY 2009. (See Workyears by Activity and Office, p. 67.) Based on historical averages, the Commission anticipates reopening the record in a limited number of remands in both FY 2010 and 2011. (See Strategic Operation No. 1: Import Injury Investigations Caseload, p. 23.)

Litigation

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

In FY 2009, 14 new cases were filed in the CIT or the Federal Circuit involving challenges to Commission determinations in injury investigations and sunset reviews. This number of new appeals was in keeping with the number of new appeals filed in FY 2008, when 13 appeals challenging the Commission's title VII determinations were filed in the Federal courts. In addition to these appeals, 12 new appeals challenging the actions of the Commission and Customs under the Continued Dumping and Subsidy Offset Act (the "Byrd Amendment") were filed in Federal courts in FY 2009. This is a decline from the number of new appeals under the Byrd Amendment in FY 2008, when 21 such appeals were filed, and likely reflects the repeal of the Byrd Amendment effective for subject imports entered after October 1, 2007.

During FY 2009 OGC filed 17 major briefs and two remand determinations. Also during FY 2009 OGC represented the Commission in five oral arguments in AD/CVD cases before U.S. courts. OGC also assisted USTR in the preparation of a number of filings in WTO disputes concerning dumping and subsidization. The Commission charged 4.8 workyears of direct labor to import injury litigation before either domestic courts or international panels in FY 2009. (See Workyears by Activity and Office, p. 67.) As of September 2009, 69 appeals involving Commission title VII determinations were pending at the CIT and the Federal Circuit. In addition, two disputes involving the Commission's title VII determinations were pending before NAFTA panels, and three disputes were pending before the WTO. The number of appeals pending in these venues at the end of September 2009 remained at the historically high levels seen in September 2008, when 67 such appeals were pending in the Federal courts and six disputes were pending before NAFTA or WTO panels.

Resource Requirements and Workload for Import Injury Investigations

In the aggregate, Strategic Operation No. 1 utilized 28.6 percent of the Commission's resources in FY 2009 (see Dollar Cost: Comparison by Strategic Operation, p. 64), amounting to \$21.5 million (see Budget Summary by Strategic Operation, p. 66). In FY 2009 Strategic Operation No. 1 accounted for direct costs of \$12.5 million and 75 workyears. (See Strategic Operation No. 1: Import Injury Investigations Resource Requirements, p. 22.) In FY 2009 five offices together accounted for approximately 80 percent of the direct workyears. The Office of Investigations, the Commissioners' offices, and OGC contributed 19.6, 15.8 and 10.8 workyears, respectively, while the Office of Economics and the Office of Industries contributed 8.2 and 5.2 workyears, respectively. (See Workyears by Activity and Office, p. 67.)

During FY 2009 the Commission instituted 36 grouped import injury investigations, including sunset reviews, and completed 35. The Commission projects that 54 investigations will be instituted and 47 will be completed in FY 2010, and that 69 will be instituted and 58 will be completed in FY 2011. As of December 2009, there were 13 active import injury investigations pending at the Commission. (See Strategic Operation No. 1: Import Injury Investigations Caseload, p. 23.)

In its Fiscal Year 2010 and 2011 Performance Plans (see attached), the Commission has set goals designed to improve its performance in conducting import injury investigations. The Commission regularly issues user surveys, soliciting feedback from the trade bar regarding process improvements. The Commission will continue to seek to improve public access to information about its procedures, primarily through design enhancements to its website, and will ensure that procedures are fair and properly implemented and proceedings are completed on time. For example, process enhancements have yielded improvements in timely availability of case filings. As a result, the Commission has exceeded the targets set in its Performance Plan for posting information on EDIS. In addition, in FY 2009 the Commission released a reengineered version of EDIS. The new hardware architecture and an updated software suite, which is more user-friendly and maintainable, have improved the overall performance of the system. To date, the new version of EDIS has been a more reliable and stable system than its predecessor. The Commission launched a redesign of its entire website in late FY 2009 with a focus on improving the search and navigation capabilities during FY 2009. The Commission expects that these improvements will benefit the agency and outside parties, particularly as caseload levels increase in FY 2010 and 2011.

Strategic Operation No. 1: Import Injury Investigations Resource Requirements, Fiscal Years 2009, 2010, 2011

(Dollar Amounts in Thousands)¹

Category of Obligation	FY 2009 Actual		FY 2010 Estimate		FY 2011 Estimate		FY 2010–11 Change	
	Workyears	Dollars	Workyears	Dollars	Workyears	Dollars	Workyears	Dollars
A. Direct Costs ²								
Personnel Compensation	75	\$8,708	76	\$8,995	78	\$9,595	2	\$600
Benefits		2,172		2,304		2,486		182
Rent		1,602		1,623		1,637		14
Travel and Transportation		28		41		50		9
Subtotal	75	\$12,510	76	\$12,963	78	\$13,768	2	\$805
B. Indirect Costs ³								
Personnel Compensation	33	\$3,520	33	\$3,645	33	\$3,666	0	\$20
Benefits		878		935		941		6
Rent		718		727		732		6
Travel and Transportation		139		144		148		4
Training		150		135		167		32
Equipment, Equipment Rental, Communication		629		752		889		138
Printing, Reproduction, Postage		145		139		140		1
Land and Structures		29		105		90		-15
Services		2,552		2,984		3,028		42
Supplies		251		255		261		6
Subtotal	33	\$9,012	33	\$9,821	33	\$10,062	0	\$241
Total Resource Requirements	108	\$21,523	109	\$22,784	111	\$23,830	2	\$1,046

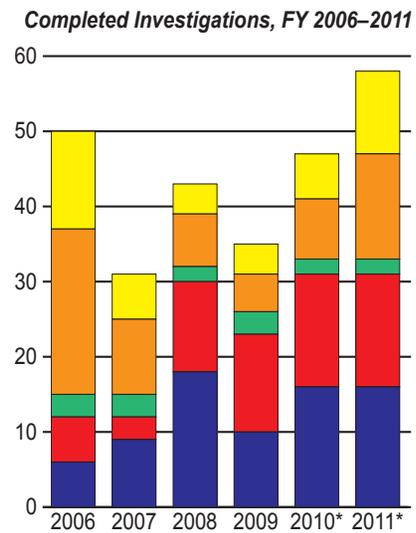
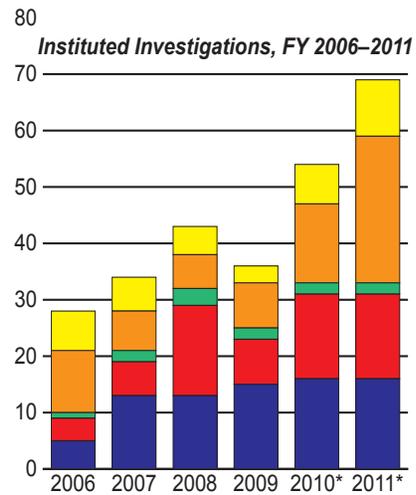
¹ Totals may not add up due to rounding.

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

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

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

Strategic Operation No. 1: Import Injury Investigations Caseload



* Estimate

Summary of Import Injury Investigations, FY 2006-2011

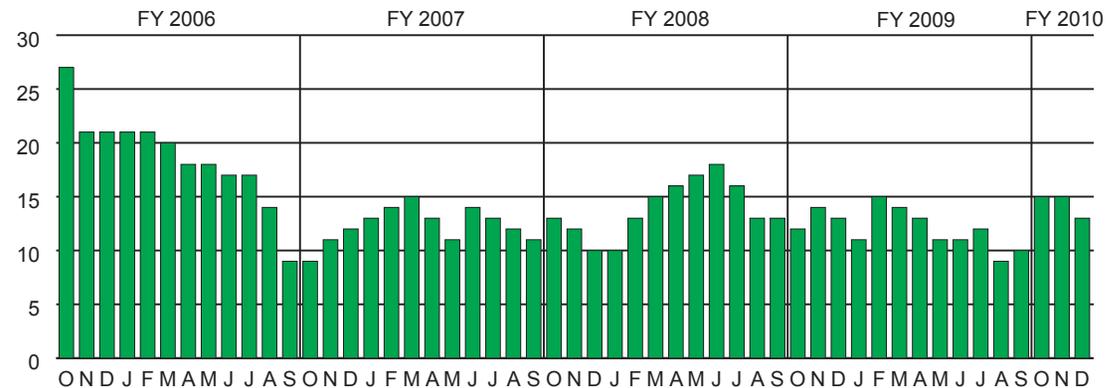
Type and Status	FY 2006 actual	FY 2007 actual	FY 2008 actual	FY 2009 actual	FY 2010 estimate	FY 2011 estimate
Import Injury Investigations Instituted						
Preliminary Title VII ¹	5	13	13	15	16	16
Final Title VII ¹	4	6	16	8	15	15
Other ²	1	2	3	2	2	2
Full Sunset ³	11	7	6	8	14	26
Expedited Sunset ³	7	6	5	3	7	10
Total	28	34	43	36	54	69
Completed						
Preliminary Title VII ¹	6	9	18	10	16	16
Final Title VII ¹	6	3	12	13	15	15
Other ²	3	3	2	3	2	2
Full Sunset	22	10	7	5	8	14
Expedited Sunset	13	6	4	4	6	11
Total	50	31	43	35	47	58

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

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

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

Active[†] Import Injury Investigations, by month, for October 2006 through December 2009



[†] Active during the month

Source: Office of Investigations

Strategic Operation No. 2: Intellectual Property-Based Import Investigations

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

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

The Commission's ALJs, with the assistance of their staff, conduct conferences and trials, issue initial determinations, and facilitate and approve settlement agreements. The Office of Unfair Import Investigations (OUII) represents the public interest, investigates the factual and legal bases for allegations presented in section 337 complaints, develops evidence through discovery, and participates in trials. The determinations of the ALJs are subject to discretionary review or adoption by the Commission. OGC provides advice to the Commissioners during the review process and defends the final Commission decision during any subsequent appeal.

Section 337 investigations usually involve complex factual and legal determinations. The spectrum of products and intellectual property rights that have been the subject of section 337 investigations is very broad. Nevertheless, almost 60 percent of the 85 investigations active in FY 2009 involved integrated circuit, computer, telecommunications, and other electronic technologies, including laser diodes, liquid crystal displays, and cellular telephones. Chemical compositions and processes, surgical systems, construction equipment, and wind turbines were among the many other technologies at issue in section 337 investigations this year. A variety of consumer items, ranging from ink cartridges to refrigerators, were also the focus of investigations conducted during FY 2009.

The number of new section 337 proceedings commenced in FY 2009 was in keeping with the elevated level of new proceedings experienced in the years since FY 2004, but below the record level reached in FY 2008. The Commission expects the section 337 caseload will continue at a high level in FY 2010 and 2011. The average number of new section 337 matters commenced during the five year period from FY 2000–2004 rose from an average of 22 new proceedings to an average of 38 new proceedings per year in the period from FY 2005–2009, or by more than 70 percent. As the number of new matters per year has increased, so has the total number of section 337 matters active during the course of a year. Whereas 44 matters were active during all of FY 2004, a total of 85 matters were active during the course of FY 2009. (See Strategic Operation No. 2: Intellectual Property-Based Import Investigations Caseload, p. 29.) Although the number of new matters commenced in FY 2009 was below the record level of the previous year, the level of new matters remained consistent with the elevated levels of new proceedings the Commission experienced in FY 2006 and 2007.

During FY 2009 the Commission instituted 36 new investigations and ancillary proceedings. Specifically, during FY 2009 the Commission instituted 29 investigations on the basis of new complaints of violations of the statute, as well as seven new ancillary proceedings relating to prior investigations. Another 44 investigations and ancillary proceedings carried over from FY 2008. In FY 2009 Commission personnel spent 44.2 workyears on section 337 investigations and 4.3 workyears on section 337 litigation. (See Workyears by Activity and Office, p. 67.) As a result of this heavy investigative caseload, the amount of appellate litigation is also expected to remain high in FY 2010 and 2011.

The doubling of the caseload between FY 2004 and 2008 led the Commission to approve the addition of a sixth ALJ position and related staff in 2008. The addition of the sixth ALJ, who began work at the Commission in December 2008, was intended to allow for a more reasonable distribution

of the increased caseload among the ALJs and facilitate the expeditious resolution of section 337 investigations. However, scheduling of proceedings has been hampered by a lack of courtroom space. To address this constraint, the Commission has leased the second floor of its building and will take possession during FY 2010 (sometime between March 1 and September 1, 2010, depending on the current tenant's departure plans). The lease is coterminous with the Commission's lease of the rest of the building and will expire in 2017. The Commission plans to build a third courtroom as soon as it takes possession of this space.

Resource Requirements and Workload for Intellectual Property-Based Import Investigations

In the aggregate, Strategic Operation No. 2 utilized 26.0 percent of the Commission's resources in FY 2009 (see Dollar Cost: Comparison by Strategic Operation, p. 64), amounting to \$19.6 million (see Budget Summary by Strategic Operation, p. 66). In terms of direct costs, Strategic Operation No. 2 accounted for \$11.0 million in FY 2009, with 63 workyears charged to it. (See Strategic Operation No. 2: Intellectual Property Based Import Investigations Resource Requirements, p. 28.) Offices charging direct workyears to this strategic Operation in FY 2009 included OUII (19.7 workyears), the Office of the ALJs (17.7 workyears), and OGC (11.1 workyears). (See Workyears by Activity and Office, p. 67.)

During October 2009, 49 section 337 proceedings were active at the Commission as compared to 50 in October 2008. The Commission projects that approximately 42 new investigations and ancillary proceedings will be instituted in both FY 2010 and 2011. During FY 2009 the Commission completed 40 investigations and ancillary proceedings. The Commission projects the completion of approximately 45 investigations and ancillary proceedings in both FY 2010 and 2011. (See Strategic Operation No. 2: Intellectual Property-Based Import Investigations Caseload, p. 29.)

At the end of FY 2009, 26 appeals from 14 section 337 determinations were pending before the Federal Circuit. Forty other appeals were litigated to completion, dismissed for jurisdictional reasons, or voluntarily dismissed by appellants during FY 2009. The average number of pending appeals of section 337 appeals during this fiscal year increased over the already high number in FY 2008. The Federal Circuit held oral argument in seven section 337 cases. Six cases related to Commission section 337 investigations were pending in the U.S. district courts during FY 2009, and oral argument was held in two of these. The average number of pending appeals of section 337 determinations

during FY 2009 remained above historical levels, reflecting the increased number and complexity of section 337 investigations filed in recent years. In FY 2009 the Commission charged 4.3 workyears to section 337 appellate litigation. (See Workyears by Activity and Office, p. 67.)

In its Fiscal Year 2010 and 2011 Performance Plans (see attached), the Commission has set goals designed to improve its performance in conducting intellectual property-based import investigations. The Commission will continue to seek to complete proceedings expeditiously, increase the effectiveness of agency orders, and enhance the provision of information to the public about the section 337 process. The Commission will work to ensure that deadlines in section 337 proceedings are met and that such proceedings are completed as quickly as possible. To assist in meeting the challenges of its increased section 337 workload, the Commission has: 1) hired a sixth ALJ in FY 2009, 2) acquired additional space which will include a third courtroom in FY 2010, 3) launched a pilot mediation program in FY 2009 to help reduce the number of cases that are fully litigated, and 4) retained a consultant to perform a comprehensive independent review of Strategic Operation No. 2.

In FY 2009 the Commission launched a redesign of its entire website in an effort to improve public access to information about its section 337 proceedings. Also in FY 2009 the Commission reengineered EDIS which resulted in improved performance in terms of the speed with which documents are made available for viewing.

During FY 2009 Commission personnel provided scheduling information relating to the issuance of exclusion orders to Customs on a periodic basis, and will continue to do so in FY 2010.

Strategic Operation No. 2: Intellectual Property-Based Import Investigations Resource Requirements, Fiscal Years 2009, 2010, 2011

(Dollar Amounts in Thousands)¹

Category of Obligation	FY 2009 Actual		FY 2010 Estimate		FY 2011 Estimate		FY 2010–11 Change	
	Workyears	Dollars	Workyears	Dollars	Workyears	Dollars	Workyears	Dollars
A. Direct Costs ²								
Personnel Compensation	63	\$7,504	65	\$7,750	67	\$8,343	2	\$593
Benefits		1,872		1,984		2,165		180
Rent		1,604		2,410		2,925		516
Travel and Transportation		26		37		45		8
Subtotal	63	\$11,007	65	\$12,181	67	\$13,478	2	\$1,297
B. Indirect Costs ³								
Personnel Compensation	33	\$3,356	33	\$3,481	34	\$3,777	1	\$297
Benefits		837		894		984		90
Rent		718		924		1,056		132
Travel and Transportation		98		95		103		8
Training		126		111		144		33
Equipment, Equipment Rental, Communication		607		1,463		1,605		142
Printing, Reproduction, Postage		146		29		36		7
Land and Structures		29		747		657		-90
Services		2,432		2,843		2,862		20
Supplies		252		324		361		37
Subtotal	33	\$8,600	33	\$10,911	34	\$11,586	1	\$675
Total Resource Requirements	96	\$19,607	98	\$23,092	101	\$25,064	3	\$1,972

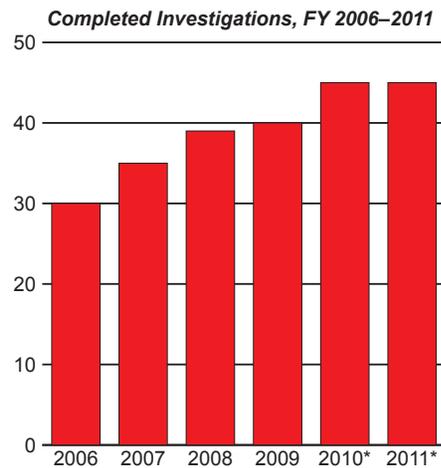
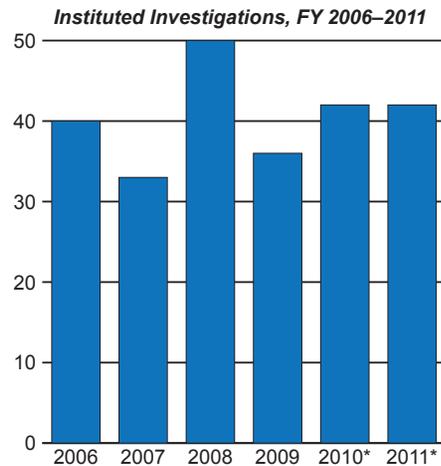
¹ Totals may not add up due to rounding.

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

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

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

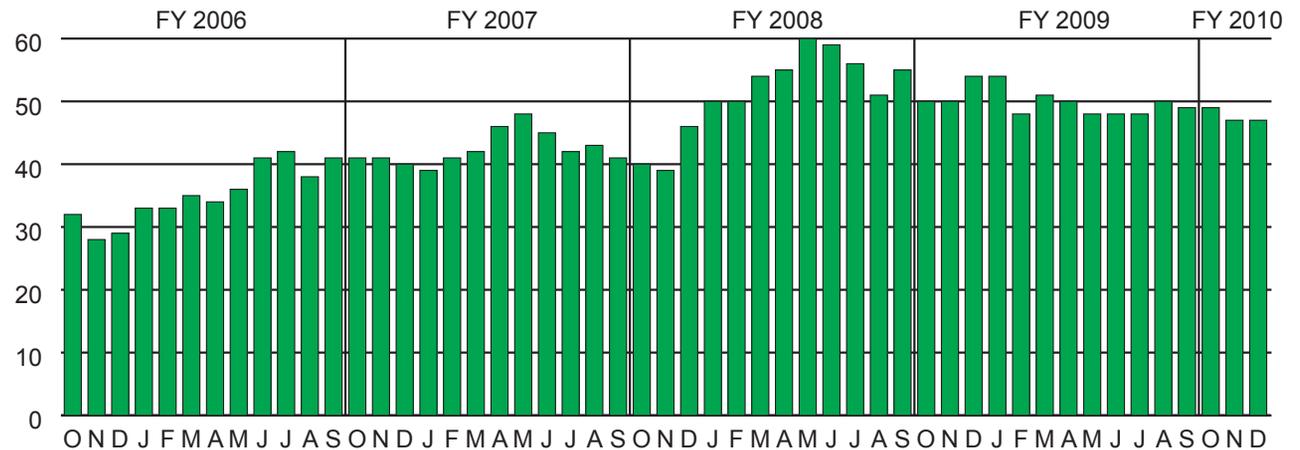
Strategic Operation No. 2: Intellectual Property-Based Import Investigations Caseload



Summary of Intellectual Property-Based Import Investigations and Ancillary Proceedings, FY 2006–2011

Status	FY 2006 actual	FY 2007 actual	FY 2008 actual	FY 2009 actual	FY 2010 estimate	FY 2011 estimate
Instituted	40	33	50	36	42	42
Active	70	73	88	85	85	85
Completed	30	35	39	40	45	45

Active[†] Intellectual Property-Based Import Investigations and Ancillary Proceedings, by month, for October 2006 through December 2009



* Estimate

[†] Active during the month

Source: Office of Unfair Import Investigations

Strategic Operation No. 3: Industry and Economic Analysis

The industry and economic analysis provided by the Commission supports trade negotiators and trade policymakers in the legislative and executive branches through timely and objective analytic reports and other products. By maintaining the highest level of industry, economic, and regional trade expertise, the Commission is a recognized leader in independent research and analysis of international trade and industry competitiveness. Commission efforts in this strategic Operation take two forms. In statutory investigations, the Commission responds to statutorily authorized requests of the legislative and executive branches. These requests result in official investigative reports that present Commission analysis and findings on the requested topic. The Commission's industry and economic experts also conduct other (non-statutory) research and analysis in areas of significant importance to the U.S. economy. These efforts focus on developing the expertise necessary to support statutory work in Strategic Operation Nos. 1, 3, and 4, as well as technical support provided under Strategic Operation No. 5. The work in this area contributes to future work requested under statutory authority and often culminates in published staff papers and articles.

Statutory Investigations

Statutory investigations conducted by the Commission under Strategic Operation No. 3 generally fall into three broad categories:

- *General Factfinding and Analytical Investigations*, which include non-recurring and recurring investigations conducted pursuant to section 332 of the Tariff Act of 1930;
- *Probable Economic Effect Investigations*, which include investigations required by section 131 of the Trade Act of 1974 and by section 103 requirements of various trade agreement implementation acts; and
- *Assessments of Negotiated Trade Agreements*, which include investigations regarding the effects of negotiated FTAs, as mandated by section 2104 of the Trade Act of 2002.

In addition, the Commission conducts other types of statutory investigations. The Commission publishes *The Year in Trade: Operation of the Trade Agreements Program* annually, as required by section 163(c) of the Trade Act of 1974.

Statutory investigations often involve: 1) public hearings, 2) written or telephone surveys of U.S. producers, importers, and consumers, 3) domestic and foreign fieldwork, 4) interviews with industry, government, and academic experts, 5) extensive literature reviews, 6) data compilation, and 7) analysis. Investigations typically last 3 to 12 months, but can vary considerably outside that range as a result of the complexity or urgency of the subject matter pursuant to the request. Likewise, staffing can vary considerably, from a few to 50 or more team members consisting of trade analysts, economists, and attorneys.

During FY 2009 the Commission had 22 active investigations, completed 10 investigations, and instituted 9 new investigations. (See Strategic Operation No. 3: Industry and Economic Analysis Investigations Caseload, p. 40.) The number of active investigations per month declined from a high of 25 in April 2008 to 8 by January 2009 and averaged 10 for all of FY 2009. As a result workyears charged to these investigations decreased from 51.3 in FY 2008 to 32.6 in FY 2009. (See Workyears by Activity and Office, p. 67.) A temporary decline in workload in this strategic Operation is common in a presidential election year or when there is a change in administrations, but is not expected to signal a declining need for the Commission's economic analysis in FY 2010 and 2011.

General Factfinding and Analytical Investigations

The Commission conducts general factfinding and analytical investigations regarding trade, tariff, and competitiveness issues pursuant to section 332(g) of the Tariff Act of 1930. This provision authorizes: 1) the President through the USTR, 2) the House Committee on Ways and Means, or 3) the Senate Committee on Finance to direct the Commission to conduct specific trade-related investigations and to report its findings. The Commission is also authorized to self-initiate investigations and studies on trade matters under section 332(b). Section 332 investigations can take several forms and approaches, such as:

- examining specific foreign industries or countries for the purpose of identifying existing foreign tariffs, nontariff barriers, and other background information to assist U.S. trade negotiators;

- monitoring and reporting on specific countries or regions regarding economic and trade activities as specified by the requestor; and
- analyzing specific industries and products and providing information regarding the conditions of competition in U.S. and foreign markets, trade levels and trends, and government policies affecting the industries.

USTR and the Congress often request one-time industry and economic analysis investigations that include time critical information on current economic issues. Requests can also take the form of recurring or multi-year investigations. In those cases, reports may be delivered over a specific timeframe, such as yearly, over five years, or until terminated. In FY 2009 Commission staff charged 27.7 workyears to general factfinding and analytical investigations.

The Commission completed four non-recurring investigations during FY 2009, down from 12 in FY 2008. Highlights of these selected studies follow:

- ***Advice Concerning Possible Modifications to the U.S. Generalized System of Preferences, 2008 Review of Additions and Removals***, Inv. No. 332-500 (Pub. 4057, January 2009). This report provides advice on how competing U.S. industries may be affected by the addition of 11 HTS subheadings to the list of articles eligible for the Generalized System of Preference (GSP) and the removal of two HTS subheadings from duty-free status from certain beneficiary developing countries.
- ***Property and Casualty Insurance Services: Competitive Conditions in Foreign Markets***, Inv. No. 332-499 (Pub. 4068, March 2009). This report provides an overview of the global market for property and casualty insurance services; examines the nature and extent of trade in property and casualty insurance services; and identifies and examines policies and practices that affect U.S. firms' access to, and competitiveness in, foreign markets for such services.
- ***Advice Concerning Possible Modifications to the U.S. Generalized System of Preferences, 2008 Review of Competitive Need Limit Waivers***, Inv. No. 332-506 (Pub. 4074, April 2009). This report provides advice as to the impact of granting a waiver to the competitive need limit for Indonesia for PET resin, to Argentina for certain full-grain unsplit bovine (not buffalo) and equine leather; and to Turkey for copper wire strand.

- ***Sub-Saharan African Textile and Apparel Inputs: Potential for Competitive Production***, Inv. No. 332-502 (Pub. 4078, May 2009). This report identifies yarns, fabrics, and other textile and apparel inputs that can be produced competitively in beneficiary sub-Saharan African countries through new or increased investment or other measures.

The Commission completed reports on nine multi-year (recurring) investigations in FY 2009.

- ***Ethyl Alcohol for Fuel Use: Determination of the Base Quantity of Imports***, Inv. No. 332-288 (December 2008)
- ***Shifts in U.S. Merchandise Trade 2007 Annual Report***, Inv. No. 332-345T (Pub.4044, December 2008)
- ***Monitoring of U.S. Imports of Tomatoes***, Inv. No. 332-350 (Pub. 4048, November 2008)
- ***Monitoring of U.S. Imports of Peppers***, Inv. No. 332-351 (Pub. 4049, November 2008)
- ***Sub-Saharan Africa: Effects of Infrastructure Conditions on Export Competitiveness, Third Annual Report***, Inv. No. 332-477 (Pub. 4071, April 2009)
- ***Recent Trends in U.S. Services Trade 2009 Annual Report***, Inv. No. 332-345R (Pub. 4084, June 2009)
- ***Shifts in U.S. Merchandise Trade 2008 Annual Report***, Inv. No. 332-345T (Pub. 4089, July 2009)
- ***The Economic Effects of Significant U.S. Import Restraints, Sixth Update 2009***, Inv. No. 332-325 (Pub. 4094, August 2009)
- ***The Impact of the Caribbean Basin Economic Recovery Act***, Inv. No. 332-227 (Pub. 4102, September 2009)

Probable Economic Effect Investigations

The Commission assesses the potential impact of proposed FTAs on specific sectors of the economy and for specific line items in the HTS. These investigations are conducted primarily under the authority of: 1) section 131 of the Trade Act of 1974, 2) section 2104(b)(2) of the Trade Act of 2002,

and 3) section 103 of certain FTA implementation acts, such as the NAFTA Implementation Act. In FY 2009 Commission staff charged 1.2 workyears to this activity, a decrease from 2.1 workyears in FY 2008.

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

The Commission completed three Section 103 rules-of-origin investigations during FY 2009.

- ***Viscose Rayon Staple Fiber: Probable Effect of Modification of U.S.-Australia Free Trade Agreement Rules of Origin***, Inv. No. 103-21 (Pub. 4041, October 2008)
- ***Probable Economic Effect of Certain Modifications to the United States-Chile Free Trade Agreement Rules of Origin***, Inv. No. 103-19 (Pub. 4042, October 2008)
- ***Certain Yarns and Fabrics, Fiscal Year 2009: Effects of Modification of U.S.-Singapore FTA Rules of Origin***, Inv. No. 103-22 (Pub. 4096, August 2009)

Assessments of Negotiated Trade Agreements

The Commission assesses the likely economywide and selected sectoral effects of negotiated FTAs as mandated by section 2104(f) of the Trade Act of 2002. The act requires the Commission to analyze the likely effects of negotiated trade agreements on the U.S. economy and on specific U.S. economic sectors, including the effects on U.S. gross domestic product, trade, employment, and consumers.

USTR is required to request the study at least 90 days prior to the signing of a trade agreement. The Commission is required to submit its report to the Congress and USTR no later than 90 days after signing. Hence, these reports are often referred to as “90 90” studies. The Commission was not tasked with and therefore did not complete investigations regarding FTAs during FY 2009 or FY 2008.

Other Statutory Investigations

In addition to the three major types of statutory investigations, the Commission conducts an annual investigation regarding the *Operation of the Trade Agreements Program* each year as required by section 163(c) of the Trade Act of 1974. See *The Year in Trade 2008: Operation of the Trade Agreements Program*, Inv. No. 163-001 (Pub. 4091, July 2009). During FY 2009 the Commission charged 1.8 workyears to this activity, down from 5.3 workyears in FY 2008, when there were three studies.

Other Industry and Economic Analysis Activities

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

Staff research initiatives include articles in the *Journal of International Commerce and Economics* (JICE), staff research studies, conference/working papers, and research notes/publications. The number of completed initiatives increased from 93 in FY 2008 to 99 in FY 2009. The time spent on these activities shifted from producing JICE articles, conference/working papers and publications toward producing industry summaries and concise, analytical products (specifically, a new category of Executive Briefings on Trade). Staff produced 40 Executive Briefings on Trade, primarily intended to inform the Commissioners on select trade-related topics. Commission staff increased its efforts on research and expertise-building initiatives from 19.0 workyears in FY 2008 to 35.8 workyears in FY 2009. (See *Workyears by Activity and Office*, p. 67.) In FY 2009 the largest workyear increases were in industry and trade summaries (up from 1.6 in FY 2008 to 5.7 workyears in FY 2009), staff studies and

working papers (up from 4.6 in FY 2008 to 8.7 workyears in FY 2009), India/India services, Executive Briefings on Trade, and energy and environment (all new in FY 2009 with 2.7, 2.0 and 1.5 workyears, respectively).

The Commission employs numerous approaches to analyze the effects of any changes in U.S. trade policies on the U.S. economy in specific industrial, agricultural, or service sectors. These methods include survey methods and statistical, econometric, and simulation analyses. In FY 2009 Commission staff charged 1.0 workyear to activities related to developing and refining technical analytic models, data collections, and analysis. In particular, Commission personnel continue to refine and further develop the Commission's simulation model of the U.S. economy—the U.S. Applied General Equilibrium (USAGE) model—and its underlying database. These efforts contributed directly and indirectly to statutory studies such as *The Economic Effects of Significant Import Restraints: Sixth Update*, and various technical assistance efforts. During FY 2009 the Commission continued significant independent research to assess the abilities of its current models to capture accurately the effects of trade policy changes. The Commission regularly uses contract resources to supplement in-house resources and keep its modeling capabilities and databases current.

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

The Commission continues to develop expertise in new and existing areas. Areas of development continue to include the analysis of linkages in goods and services, trade, investment, intellectual property rights, and labor, with a new focus on energy and the environment. Other areas of ongoing development include examining the U.S.-China trade relationship and trade-related policies in India, Brazil, and Mexico. These efforts require the use of highly disaggregated official customs data from the U.S., Chinese, and Mexican governments. Other developmental efforts include tracking sectoral and regional effects of trade policy changes and quantifying nontariff measures affecting trade. The expertise acquired by staff through research activities is used extensively in support of Strategic Operation Nos. 1, 4, and 5, as well as for Commission reports generated under Strategic Operation

No. 3. For example, the Commission is frequently called upon to provide timely assistance to the legislative and executive branches in the form of staff-to-staff assistance. Commission personnel also serve as in-house experts on the products subject to various import injury investigations conducted by the Commission.

Workload Expectations in FY 2010 and 2011

For FY 2010 and 2011 the Commission expects workload levels to return to normal levels, addressing a wide range of trade-related topics. Examples of investigations currently underway in FY 2010 include requests to:

- examine the probable economic effects of modifications to the *U.S. Generalized System of Preferences, 2009 Review of Additions and Removals*;
- assess the competitiveness of small and medium-sized enterprises (three reports);
- monitor textile and apparel imports; and
- examine the economic impacts of the U.S.-Association of Southeast Asian Nations (ASEAN) Trade and Investment Framework Agreement (TIFA).

The Commission has developed and begun to apply unique capabilities to measure barriers in services trade and to measure and quantify the trade impacts of nontariff measures. The Commission also anticipates initiating the building of an extensive database on foreign direct investment and services trade to complement its already existing expertise in merchandise trade.

Resource Requirements and Workload for Industry and Economic Analysis

In the aggregate, Strategic Operation No. 3 utilized 35.2 percent of the Commission's resources in FY 2009 (see Dollar Cost: Comparison by Strategic Operation, p. 65), amounting to \$26.5 million (see Budget Summary by Strategic Operation, p. 66). In terms of direct costs, Strategic Operation No. 3 accounted for \$14.3 million in FY 2009, with 94 workyears charged to it. (See Strategic Operation No. 3: Industry and Economic Analysis Investigations Caseload, p. 40.) The Office of Industries and the Office of Economics accounted for 73.6 percent of the direct workyears charged to this strategic operation in FY 2009, with 47.3 and 21.6 workyears, respectively. (See Workyears by Activity and Office, p. 67.) Studies produced under Strategic Operation No. 3 are conducted primarily by industry analysts in the Office of Industries who specialize in areas such as agriculture and forest products, textiles, electronics, transportation, chemicals, natural resources, and services; and economists in the Office of Economics with regional or analytical specialties.

As discussed above, during FY 2009 the Commission completed 10 investigations and instituted 9 new investigations. The Commission projects institution of 15 new investigations in FY 2010 and 16 new investigations in 2011. (See Strategic Operation No. 3: Industry and Economic Analysis Investigations Caseload, p. 40.)

As reflected in its Fiscal Year 2010 and 2011 Performance Plans (see attached), the Commission's goals are to provide sound research products in an objective and timely manner that contribute to more informed public debate and improved trade policymaking. The Commission expects to develop and improve efficient and effective research methods and expand capacity to anticipate and address new research issues and areas as they emerge. The Commission also will work with its customers to ensure that they understand the agency's capabilities and are able to benefit from its expertise. Finally, the Commission will continue to strengthen its regional economic expertise in China, India, Brazil, and NAFTA through ongoing analysis of the international trade and investment flows and impacts in global markets.

Strategic Operation No. 3: Industry and Economic Analysis Resource Requirements, Fiscal Years 2009, 2010, 2011

(Dollar Amounts in Thousands)¹

Category of Obligation	FY 2009 Actual		FY 2010 Estimate		FY 2011 Estimate		FY 2010–11 Change	
	Workyears	Dollars	Workyears	Dollars	Workyears	Dollars	Workyears	Dollars
A. Direct Costs²								
Personnel Compensation	94	\$9,501	95	\$9,860	97	\$10,472	2	\$611
Benefits		2,370		2,534		2,720		186
Rent		2,400		2,426		2,443		17
Travel and Transportation		39		55		66		11
Subtotal	94	\$14,310	95	\$14,876	97	\$15,701	2	\$825
B. Indirect Costs³								
Personnel Compensation	50	\$5,032	49	\$5,218	50	\$5,524	1	\$307
Benefits		1,255		1,340		1,433		93
Rent		1,075		1,088		1,097		9
Travel and Transportation		142		149		156		6
Training		191		169		217		48
Equipment, Equipment Rental, Communication		801		937		1,146		209
Printing, Reproduction, Postage		218		211		213		1
Land and Structures		44		120		105		-15
Services		3,079		3,720		3,786		66
Supplies		376		380		386		6
Subtotal	50	\$12,212	49	\$13,333	50	\$14,064	1	\$731
Total Resource Requirements	144	\$26,522	144	\$28,209	147	\$29,765	3	\$1,556

¹ Totals may not add up due to rounding.

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

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

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

Strategic Operation No. 4: Tariff and Trade Information Services

Tariff and trade information services include maintenance and publication of the HTS, preparation of legislative reports for the Congress, drafting of implementing annexes to trade agreements negotiated by USTR, maintenance of the online Interactive Tariff and Trade DataWeb (DataWeb), and management of Commission trade databases. Services also include contributions to the development of the inter-agency International Trade Data System (ITDS), maintenance of U.S. commitments under Schedule XX of the General Agreement on Tariffs and Trade/World Trade Organization (GATT/WTO), maintenance of the electronic version of the U.S. Schedule of Services Commitments under the General Agreement on Trade in Services (GATS), preparation of the electronic database that supports U.S. submissions to the WTO Integrated Database, and related information gathering, processing, and dissemination activities.

Maintenance of the Harmonized Tariff Schedule of the United States

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

- publishing the HTSA, i.e., preparing annual hardcopy versions for printing by the Government Printing Office, and posting an electronic copy and electronic revisions, as necessary, on the Commission website in accordance with section 1207 of the Omnibus Trade and Competitiveness Act of 1988;

- fulfilling the Commission's responsibilities for statistical annotation of the HTS, in coordination with Customs and the Bureau of the Census, under section 484 of the Tariff Act of 1930;
- participating in the work of the Harmonized System Committee, its Review Sub Committee, and the Scientific Sub Committee of the World Customs Organization in maintaining the international Harmonized System of tariff nomenclature, as directed by section 1210 of the 1988 Act (a Commission staff member leads the U.S. Delegation to the Review Sub Committee); and
- preparing the list of U.S. commitments under Schedule XX of the GATT/WTO (i.e., U.S. tariff concessions with respect to trade in goods) in the appropriate legal language conforming to the international Harmonized System of tariff nomenclature.

When amendments or modifications to the HTSA are proclaimed or ordered by the President, enacted by the Congress, or adopted by the Committee for Statistical Annotation of the Tariff Schedule, the Commission usually incorporates them into the online PDF version of the HTSA within one or two working days. Immediate access to the up-to-date HTSA online has proven to be very useful to Commission personnel, as well as to Customs and the trade community. This utility is enhanced by the fact that the product is viewable and searchable and is available for downloading by individual HTSA chapter. During the year the Commission also publishes one or more hardcopy supplements to the HTSA to reflect any amendments arising during the calendar year. The Commission generally publishes a hardcopy, midyear supplement to the HTS effective on July 1 of each year, primarily to reflect the annual GSP review.

In February 2009 the Commission launched the online HTS reference tool. This is a user-friendly web browser interface for viewing the HTS. The tool includes sophisticated navigation, search, and thesaurus features, and represents a substantial improvement over the previous online method of viewing the HTS. The tool includes links to relevant Customs websites, import data, and detailed tariff information. The reference tool received over three million hits during the first seven months after launch.

The Commission spent 7.1 workyears on the HTS and nomenclature activities in FY 2009. (See Workyears by Activity and Office, p. 67.)

Legislative Reports

The House Committee on Ways and Means and the Senate Committee on Finance regularly ask the Commission for comments on legislation, primarily reports on miscellaneous tariff bills (MTBs). These reports provide tariff nomenclature and technical drafting assistance and include revenue loss estimates for the Congressional Budget Office. Commission personnel routinely prepare such draft reports and information on MTBs in anticipation of Congressional consideration. The Commission spent 1.3 workyears providing advice on 67 MTBs during FY 2009. (See Workyears by Activity and Office, p. 67.) In FY 2010 this figure will be much higher, given that over 800 new bills were introduced in the Senate in October 2009. In the last five years workyears have ranged from a high of 6.4 in FY 2006 to a low of 1.1 in FY 2007. The extent of resources devoted to this activity in FY 2011 will depend largely on the number of new MTBs introduced during the 112th Congress, which will begin in January 2011.

Interactive Tariff and Trade DataWeb

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

System use has grown substantially from its inception in April 1999, more than tripling from 319,000 data reports in FY 2000 to more than 1.1 million data reports in FY 2009 (see Figure 1 below). The system now has nearly 130,000 registered users. Although use by the general public has shown the most growth, U.S. Government personnel use the system extensively and account for 15 percent of the reports generated (see Figure 2 below). The continuation of this public service will ensure that Federal government entities, foreign government and international organizations, and the general public will have free access to U.S. trade data.

Figure 1. DataWeb Performance, FY 2005–2009

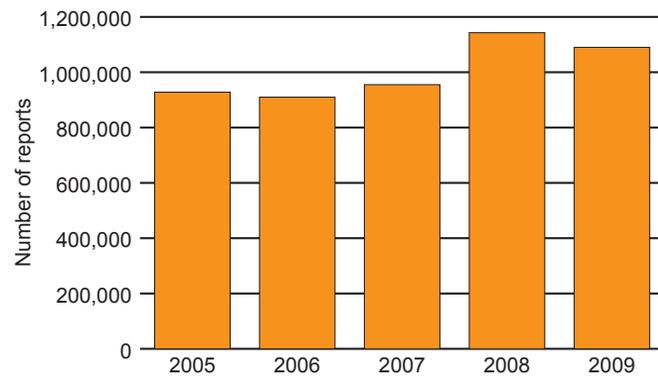
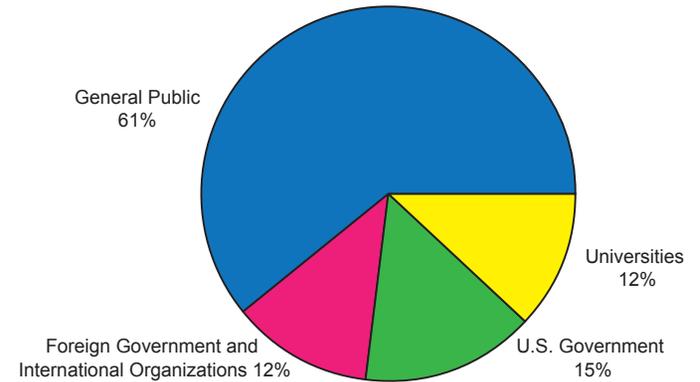


Figure 2. DataWeb Reports to non-ITC Users, FY 2005–2009



Source: Office of the Chief Information Officer.

The Commission estimates the operational and maintenance costs for DataWeb and related trade data systems at \$525,000 and 1.1 workyears in both FY 2010 and 2011. Internal support and maintenance efforts for DataWeb are supplemented by contractors.

International Trade Data System

Commission personnel participate in a multi-agency initiative to develop a Government-wide system for the electronic collection, use, and dissemination of international trade and transportation data. ITDS will provide the means for harmonizing and consolidating all import and export data required for port clearance into a single data system. It will also provide data needed to support analyses of trade policy development and trade promotion by government agencies. In addition, as detailed in the Security and Accountability For Every Port Act of 2006, ITDS will provide the trading public with a “single window” for reporting foreign trade transactions to the U.S. Government. The system is being developed in conjunction with the development of the new Automated Commercial Environment at Customs. The implementation of the online HTS reference tool in February 2009 has improved the availability of tariff information for import brokers and Customs’ officials in the ports, and is also available to the trade and general public on the Commission’s website. During FY 2010 or early in FY 2011 the Commission hopes to complete development of new software that will use the XML format of the HTS reference tool to prepare and publish the HTSA in the future. This will allow the transfer of key tariff information to and from external databases at Customs and within the Commission.

Resource Requirements for Tariff and Trade Information Services

In the aggregate, Strategic Operation No. 4 utilized 4.8 percent of the Commission’s resources in FY 2009 (see Dollar Cost: Comparison by Strategic Operation, p. 64), amounting to \$3.6 million (see Budget Summary by Strategic Operation, p. 66). In terms of direct costs, Strategic Operation No. 4 accounted for \$1.9 million in FY 2009 with 13 workyears charged to it. (See Strategic Operation No. 4: Tariff and Trade Information Services Resource Requirements, p. 46.) Providing timely and accurate trade information services to Commission customers requires coordination and effort across Commission organization lines. Expertise is provided by personnel from the Offices of Tariff Affairs and Trade Agreements, Industries, and the OCIO. The Office of Tariff Affairs and Trade Agreements and the Office of Industries accounted for about 76.6 percent of the direct workyears charged to this strategic operation in FY 2009 with 8.1 and 1.7 direct workyears, respectively. (See Workyears by Activity and Office, p. 67.) In its Fiscal Year 2010 and 2011 Performance Plans (see attached), the Commission has set goals designed to improve its performance in the provision of tariff and trade information services.

Strategic Operation No. 4: Tariff and Trade Information Services Resource Requirements, Fiscal Years 2009, 2010, 2011

(Dollar Amounts in Thousands)¹

Category of Obligation	FY 2009 Actual		FY 2010 Estimate		FY 2011 Estimate		FY 2010–11 Change	
	Workyears	Dollars	Workyears	Dollars	Workyears	Dollars	Workyears	Dollars
A. Direct Costs²								
Personnel Compensation	13	\$1,247	15	\$1,303	15	\$1,312	0	\$9
Benefits		311		337		340		3
Rent		327		331		333		3
Travel and Transportation		5		8		10		2
Subtotal	13	\$1,890	15	\$1,979	15	\$1,995	0	\$16
B. Indirect Costs³								
Personnel Compensation	7	\$684	8	\$714	8	\$719	0	\$5
Benefits		171		185		186		1
Rent		146		148		150		1
Travel and Transportation		19		21		22		1
Training		28		25		32		8
Equipment, Equipment Rental, Communication		117		134		167		33
Printing, Reproduction, Postage		30		30		30		0
Land and Structures		6		14		11		-3
Services		459		564		575		11
Supplies		51		51		52		1
Subtotal	7	\$1,711	8	\$1,886	8	\$1,945	0	\$59
Total Resource Requirements	20	\$3,602	23	\$3,864	23	\$3,940	0	\$76

¹ Totals may not add up due to rounding.

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

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

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

Strategic Operation 5: Trade Policy Support

Trade policy support by the Commission provides trade policymakers with technical expertise, accurate information, and objective analysis on international trade and competitiveness issues. The Commission's capability to provide prompt trade policy support to both the legislative and executive branches complements and draws on work in other strategic Operations, most notably Strategic Operation No. 3, Industry and Economic Analysis. Such support includes information and analysis on current issues related to trade and competitiveness, technical advice on draft legislation, informal briefings and meetings, temporary details of personnel, and assistance to trade delegations and negotiating teams. To implement legislation on trade policy decisions that modify the HTS, the Commission also drafts Presidential proclamations, memoranda, executive orders, and final decisions by various agencies.

The Commission continually engages in efforts to improve its service to, and support for, trade policymakers. Over the past several years, these efforts have resulted in an increasing trend in the number of requests for technical assistance. However, in FY 2009 the Commission provided expertise on 94 trade policy issues, down significantly from 129 unique issues in 2008. At the same time, resources committed to this strategic Operation increased by almost 20 percent in FY 2009 after reaching a seven-year low in FY 2008. These diverging trends for FY 2009 can be attributed to multiple requests on certain subjects (sometimes from different customers) and completion of several in-depth, resource intensive products during the year. These large projects, primarily delivered to USTR, reflect discussions with the Commission's customers about expanding the scope of assistance that can be provided through this strategic Operation.

Commission assistance during the past fiscal year, in terms of resources committed, has focused on providing support related to USTR's work on the operation of the GSP program, initiatives related to sub-Saharan Africa and the African Growth and Opportunity Act (AGOA), and analysis of rules of origin treatment and harmonization. A significant amount of work supported U.S. responsibilities related to WTO negotiations, panels, notifications, committees, and reviews. Technical assistance efforts for Congressional customers focused on China's international trade and economy, the nature and impact of government policies related to beef trade, and pending FTAs.

The Commission anticipates that its trade policy support in FY 2010 and 2011 will continue to respond to the lines of inquiry in the past fiscal year, with increasing interest in the role of small and medium businesses in trade, trade and economic issues in African countries, and the interaction between trade policies and environmental and labor issues. The Commission continues to try to anticipate policymakers' needs and develop expertise to meet anticipated requests for assistance.

The Commission also provides trade policy support by detailing personnel with relevant expertise to USTR and the Commission's authorizing committees. These details provide Commission staff with a better understanding of the needs of these primary customers and contribute to closer working relationships, resulting in more efficient and effective support to trade policymakers in Strategic Operation Nos. 3, 4, and 5. During FY 2008 and 2009 Commission workload and staffing levels presented challenges to supplying such full-time assistance. As a result, the Commission reduced the levels of resources committed to details. To reduce the impact of this reduction, the Commission initiated several "virtual" details, e.g., employees dedicated part-time to supporting certain USTR programs from the Commission, allowing them to meet USTR needs while concurrently contributing to other Commission work.

In FY 2010 and 2011 the Commission anticipates a slight increase in resources dedicated to external details. This increase is expected to result from increased interest by its oversight committees. In FY 2010 the Commission anticipates that trade issues will figure more prominently on the legislative agenda than was the case in FY 2009, resulting in increased requests for assistance and support, supplied in the forms of details, data, and written products.

Resource Requirements for Trade Policy Support

In the aggregate, Strategic Operation No. 5 utilized 5.4 percent of the Commission's resources in FY 2009 (see Dollar Cost: Comparison by Strategic Operation, p. 64), amounting to \$4.1 million (see Budget Summary by Strategic Operation, p. 66). In terms of direct costs, Strategic Operation No. 5 accounted for \$2.3 million and 13 workyears in FY 2009. (See Strategic Operation No. 5: Trade Policy Support Resource Requirements, p. 50.) The Office of Industries and the Office of Economics accounted for most of the direct workyears charged to this Strategic Operation in FY 2009 with 4.1 and 2.3 direct workyears, respectively. The Office of Tariff Affairs and Trade Agreements and the Office of External Relations contributed 1.5 and 1.7 workyears to Strategic Operation No. 5, respectively. (See Workyears by Activity and Office, p. 67.)

As reflected in its Fiscal Year 2010 and 2011 Performance Plans (see attached), the Commission is working to enhance its performance in the provision of trade policy support. To accomplish this, the Commission sets goals that relate to: 1) providing enhanced real-time, efficient, and effective technical information and analysis to support organizations involved in trade policy formulation, and 2) improving the Commission's communications with its customers to ensure that they understand the agency's capabilities and are able to benefit from its expertise.

Strategic Operation No. 5: Trade Policy Support Resource Requirements, Fiscal Years 2009, 2010, 2011

(Dollar Amounts in Thousands)¹

Category of Obligation	FY 2009 Actual		FY 2010 Estimate		FY 2011 Estimate		FY 2010–11 Change	
	Workyears	Dollars	Workyears	Dollars	Workyears	Dollars	Workyears	Dollars
A. Direct Costs ²								
Personnel Compensation	13	\$1,576	13	\$1,625	13	\$1,633	0	\$8
Benefits		393		416		418		2
Rent		340		344		346		3
Travel and Transportation		6		8		9		2
Subtotal	13	\$2,314	13	\$2,392	13	\$2,406	0	\$15
B. Indirect Costs ³								
Personnel Compensation	7	\$707	7	\$733	7	\$738	0	\$4
Benefits		176		188		190		1
Rent		152		154		155		1
Travel and Transportation		20		21		22		1
Training		35		32		39		7
Equipment, Equipment Rental, Communication		123		139		168		29
Printing, Reproduction, Postage		31		31		31		0
Land and Structures		6		14		12		-3
Services		485		576		586		9
Supplies		53		53		54		1
Subtotal	7	\$1,788	7	\$1,943	7	\$1,995	0	\$52
Total Resource Requirements	20	\$4,102	20	\$4,335	20	\$4,401	0	\$66

¹ Totals may not add up due to rounding.

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

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

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

Information Technology

The Commission is an information intensive enterprise. Its core competency is the collection, analysis, dissemination and stewardship of data, information, knowledge, and processes that can be used in investigations, trade analysis, and other operations. IT applications and systems help the Commission continue to improve program performance in a cost efficient manner and meet agency and customer needs in both the short- and long-term. The Commission plans investments in IT systems that will achieve goals defined in the Information Resource Management Strategic Plan. The Commission has six high-level IT strategic goals:

- consolidate (in terms of eliminating redundancy) and improve IT services to provide effective means to achieve business results and improve operational efficiency;
- manage IT expenses and investments from an agencywide perspective;
- incorporate best practices in IT management as appropriate for the Commission's business model;
- provide reliable, agile and adaptable services to accommodate the Commission's evolving business needs;
- maintain an active security program for information and information systems that protects Commission activities from unauthorized access or use, thereby ensuring their integrity and availability; and
- build the IT infrastructure to sustain a productive workforce that has access to information and services wherever and whenever they are working

During FY 2010 and 2011 the Commission will continue to pursue the Government-wide vision for improved electronic services to citizens, businesses, and other stakeholders. The Commission strives to manage change, deliver cost effective and securely configured IT solutions, focus on incrementally

and continuously improving its technology infrastructure, and ensure that Commission personnel are trained and equipped with the IT tools needed to accomplish its mission. Continued progress requires full funding of the Commission's budget request. Federal mandates that require funding include:

- Federal Enterprise Architecture (FEA) implementation,
- Homeland Security Presidential Directive (HSPD)-12 implementation,
- Trusted Internet Connection (TIC), and
- Implementation of the COOP Plan capability.

Major Ongoing Information Technology Initiatives

Information Security and Infrastructure Management

The Commission's information security program includes protections for national security information, confidential business information, business proprietary information, privileged information and personally identifiable information (PII). The Commission's information security posture continues to strengthen through the following activities:

- specific, tailored guidance to personnel;
- continual education of the user community regarding the protection of the Commission's information in users' care;
- alerting information infrastructure personnel of cyber threats, to implement countermeasures in a timely manner, so vulnerabilities are not exploited; and
- updating the user community on computer security threats pertinent to the environment.

Information security at the Commission is managed through risk-based activities, based on OMB policy and guidance issued by the National Institute of Standards and Technology (NIST).

OCIO information security goals include:

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

Electronic Document Information System

EDIS serves as the Commission's repository for documents on record for investigations and is considered one of the Commission's most mission critical information systems. In March 2009 the OCIO E-Business Division completed the initial phase of an ongoing project to reengineer EDIS. The existing EDIS software and hardware technologies were outdated and beyond their useful life, leading to numerous reliability and security issues. Therefore, as a strategic initiative, the EDIS software was rewritten, and deployed on all new hardware configured with updated operating systems. The new application meets all Federal security mandates and ensures high performance, reliability, and functionality for all users of the system.

Because of the scope of this effort, the Commission is reengineering EDIS in phases. The Commission will continue to develop and implement additional requirements requested by the EDIS user community in FY 2010. The Commission will schedule software releases on a three-month cycle through FY 2011. Key features include:

- integration of bar code scanners for use during document intake,
- augmenting performance statistics reports,
- automating the generation of motion numbers,

- maintaining relationships between motions and their response order, and
- electronic service of documents to authorized external users.

The Enterprise Portal

In FY 2005 the Commission set an ambitious agenda of establishing its Internet website as an enterprise portal where customers can access the web-based services and information most important to them through a single Internet location. As this one-stop portal, the Commission's website incorporates access to all of its major information systems including EDIS, DataWeb and the new HTS Online Reference Tool, while also supporting navigation through information pertaining to all of the major strategic Operations of the Commission. The primary business objective of this approach is to increase the availability of, and broaden access to, the information and services that the Commission makes available online to the general public and to Commission employees. A second objective of the portal is to allow customers to find the information faster and more efficiently. As a result of a total overhaul to the Commission's website in FY 2009, public customers as well as Commission personnel benefited from an updated look-and-feel, improved navigation, and enhanced search functionality. To meet the needs of disabled users, the updated website incorporates added accessibility features in compliance with Section 508 of the Rehabilitation Act.

HTS Online Reference Tool

In FY 2009 the Commission completed development and implemented significant improvements to the online version of the HTS. Improvements to the HTS Online Reference Tool include an enhanced search capability with an HTS thesaurus, improved user interface, and direct access to the most recent classification rulings. In conjunction, the OCIO continues to support the Office of Tariff Affairs and Trade Agreements with maintaining the HTS data through implementation and training on updating the data in XML format via a XML-specific editor to allow for integrating data changes more efficiently into the HTS Search technology.

Commission Intranet

In FY 2010 the Commission plans to move forward with an ambitious effort to overhaul its Intranet site. The existing Intranet site does not employ many of the most current technologies for managing website content, thus making it difficult to maintain. The Intranet site will be redesigned and re-implemented to make Commission information more accessible to internal users and to foster a more collaborative environment for exchanging information relating to Commission activities. It will allow for more efficient and active management of the content available on the Intranet site. This approach will also complement and support the Commission's efforts to implement its records management program such that disposition schedules can be established and carried out.

Indirect Costs

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

General administrative costs include the costs of the Office of Administration, and the subordinate offices of Finance, Facilities Management, and Human Resources. They also include the costs of administrative legal advice provided by the OGC and the costs of administrative litigation. General administrative costs are less than 7 percent of total labor costs.

The Office of the Director of Administration compiles the Commission's annual budget, prepares the appropriation and authorization requests, and closely monitors budget execution. The Commission's strategic budgeting approach encompasses all phases of the budget development process, including justifying requests for personnel, services, and IT through linkage to strategic goals. The format of the Budget Justification continues to parallel the Strategic Plan and addresses the annual Performance Plan. The Office of the Director of Administration also is responsible for physical and personnel security. The Office of the Director of Administration is allocated six full-time positions in the Commission's Staffing Plan. (See Commission Approved Staffing Plan, p. 69.)

The Office of Finance provides professional financial services that ensure proper stewardship of the Commission's resources in carrying out its statutory responsibilities. These services include the operation of the accounting system (including payroll, obligations, disbursements, reporting, and travel). The Office of Finance has supporting liaison responsibilities with the Department of Treasury and other Federal agencies on financial matters. The Office of Finance is allocated six full-time positions in the Commission's Staffing Plan. (See Commission Approved Staffing Plan, p. 69.)

The Office of Human Resources facilitates the Commission's recruitment, training, and human capital management efforts to align human resource practices more closely with its strategic mission. Through a contractual agreement with OPM, the Office of Human Resources has obtained technical expertise in strategic workforce planning, training and development, and organizational development. In FY 2010 and 2011 the Commission will continue implementing the programs, processes, and strategies necessary to accomplish the goals and objectives outlined in the Strategic Human Capital Management Plan. The Office of Human Resources is allocated eight full-time positions in the Commission's Staffing Plan. (See Commission Approved Staffing Plan, p. 69.)

The Office of Facilities Management administers building services (including building maintenance, physical security, mail, and cleaning services), acquires general office equipment and supplies, and provides procurement services. In FY 2010 and 2011 the Office of Facilities Management plans to renovate the newly acquired space on the second floor, build an additional courtroom for section 337 proceedings, and make adjustments in currently occupied space once relocation occurs. The Office of Facilities Management is allocated 10 full-time positions in the Commission's Staffing Plan. (See Commission Approved Staffing Plan, p. 69.)

The Office of Equal Employment Opportunity (OEEEO) manages the Commission's affirmative action program and advises the Chairman and managers on all equal employment opportunity and related issues. The OEEEO will continue its efforts through FY 2010 to acquire automated software to computerize and streamline office processes in compliance with EEOC MD-715 and the No FEAR Act. The goal will be to complete the initiative during FY 2011. Implementation will be coordinated with the Office of Human Resources and OGC. The OEEEO continues to ensure that Commission programs fulfill the letter and intent of laws and regulations that affect hiring and retention of Federal employees. The OEEEO is allocated two full-time positions in the Commission's Staffing Plan. (See Commission Approved Staffing Plan, p. 69.)

Office of the Inspector General

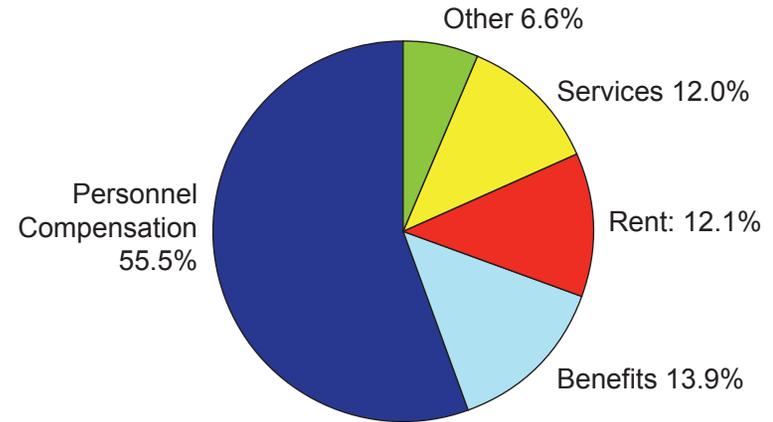
The Office of the Inspector General (OIG) provides audit, inspection, and investigative support services covering all Commission programs and strategic Operations. The mission of the OIG is to promote and preserve the effectiveness, efficiency, and integrity of the Commission. Activities are planned and conducted based on requirements of laws and regulations, requests from management officials, and allegations received from Commission personnel and other sources. The requested level of resources is necessary to continue ongoing activities and to maintain an appropriate level of audit, inspection, and investigative services. The operations and accomplishments of the OIG are described in semiannual reports submitted to the Congress in October and April of each year. The OIG has requested and is allocated four full-time positions in the Commission's Staffing Plan, assuming it is able to obtain independent legal counsel through an inter-agency agreement or private sector contract. (See Commission Approved Staffing Plan, p. 69.) In addition, the OIG has requested, and will be allocated, \$180,000 for audit and legal services in FY 2010 and \$140,000 in FY 2011. For both fiscal years the OIG has requested, and will be allocated, \$12,000 for training, \$12,000 to support the Council of the Inspectors General on Integrity and Efficiency, and \$9,000 for travel. Midway through FY 2011 the OIG will reevaluate its staffing and workload to determine whether additional resources are needed.

Dollar Cost: Comparison by Object Classification, Fiscal Years 2009, 2010, 2011

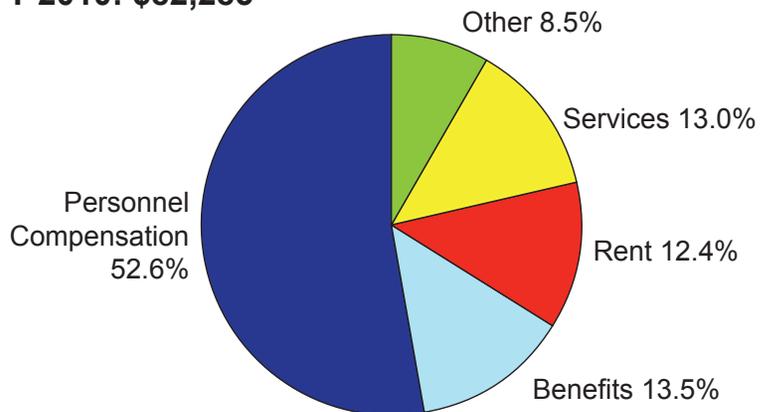
(Dollar Amounts in Thousands)



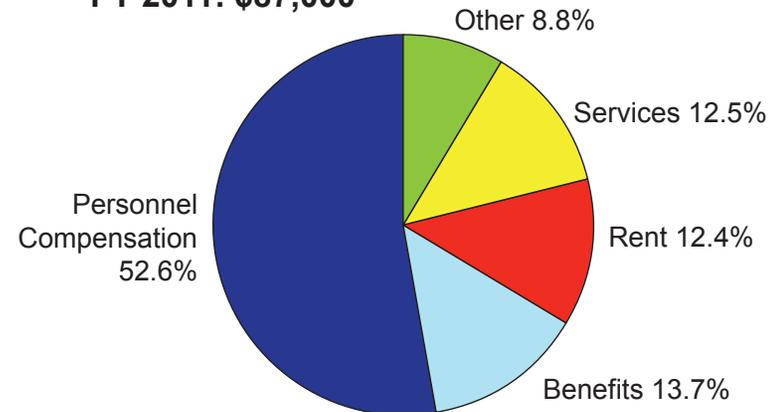
FY 2009: \$75,356



FY 2010: \$82,285³



FY 2011: \$87,000³



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

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

³ Estimate

Source: Actual costs derived from the Accounting System. Estimates based on approved requests.

Budget Formulation by Object Classification, Fiscal Years 2009, 2010, 2011

(Dollar Amounts in Thousands)¹

	FY 2009 Actual Obligations	FY 2010 Expenditure Plan	FY 2011 Budget Request
Permanent Employees	\$39,255	\$41,416	\$43,710
Temporary Employees	605	550	600
Term Employees	653	800	800
Total Salaries	\$40,513	\$42,766	\$45,110
Overtime	56	60	70
Awards	1,266	500	600
Total Benefits	\$10,437	\$11,118	\$11,864
Total Salaries and Benefits	\$52,273	\$54,444	\$57,644
Total Rent	\$9,081	\$10,175	\$10,875
CIO Services	\$5,570	\$6,750	\$7,153
Facilities Management Services	1,361	1,550	1,650
Administration Services	1,837	2,175	1,850
EEO Services	23	20	30
IG Services	216	192	152
Total Services	\$9,007	\$10,687	\$10,835
Supplies	\$984	\$1,064	\$1,115
Equipment	1,679	2,725	3,226
Travel	488	553	600
Training	530	472	600
Communications and Equipment Rental	597	700	750
Transportation	34	25	30
Postage and Contractual Mail	177	200	200
Land and Structures	114	1,000	875
Printing and Reproduction	393	240	250
Total Other	\$4,995	\$6,979	\$7,646
Total Non-Personnel	\$23,083	\$27,841	\$29,356
Total Obligations	\$75,356	\$82,285	\$87,000

¹ Totals may not add up due to rounding.

Source: Accounting System.

Analysis of Change by Object Classification, Fiscal Years 2009, 2010, 2011

(Dollar Amounts in Thousands)¹

	FY 2009 Actual Obligations	FY 2010 Expenditure Plan	FY 2011 Budget Request	FY 2010-2011 Change	Percentage Change
Permanent Employees	\$39,255	\$41,416	\$43,710	\$2,294	5.5%
Temporary Employees	605	550	600	50	9.1%
Term Employees	653	800	800	-	0.0%
Total Salaries	\$40,513	\$42,766	\$45,110	\$2,344	5.5%
Overtime	56	60	70	10	16.7%
Awards	1,266	500	600	100	20.0%
Total Benefits	\$10,437	\$11,118	\$11,864	\$746	6.7%
Total Salaries and Benefits	\$52,273	\$54,444	\$57,644	\$3,200	5.9%
Total Rent	\$9,081	\$10,175	\$10,875	\$700	6.9%
CIO Services	\$5,570	\$6,750	\$7,153	\$403	6.0%
Facilities Management Services	1,361	1,550	1,650	100	6.5%
Administration Services	1,837	2,175	1,850	(325)	-14.9%
EEO Services	23	20	30	10	50.0%
IG Services	216	192	152	(40)	-20.8%
Total Services	\$9,007	\$10,687	\$10,835	\$148	1.4%
Supplies	\$984	\$1,064	\$1,115	\$51	4.8%
Equipment	1,679	2,725	3,226	501	18.4%
Travel	488	553	600	47	8.5%
Training	530	472	600	128	27.1%
Communications and Equipment Rental	597	700	750	50	7.1%
Transportation	34	25	30	5	20.0%
Postage and Contractual Mail	177	200	200	-	0.0%
Land and Structures	114	1,000	875	(125)	-12.5%
Printing and Reproduction	393	240	250	10	4.2%
Total Other	\$4,995	\$6,979	\$7,646	\$667	9.6%
Total Non-Personnel Costs	\$23,083	\$27,841	\$29,356	\$1,515	5.4%
Total Obligations	\$75,356	\$82,285	\$87,000	\$4,715	5.7%

¹ Totals may not add up due to rounding.

Source: Accounting System.

Summary of Increases/Decreases Presented in Analysis of Change (Fiscal Years 2010 and 2011)

Personnel Cost Change

(Dollar Amounts in Thousands)

Permanent Employees	+2,294
Salaries will increase by 5.5 percent based on a projected Federal pay raise, normal cost of promotions and within-grade increases, and ongoing recruitment efforts to fill vacancies in key areas.	
Temporary Employees	+50
Costs for temporary employees will increase marginally.	
Overtime	+10
Overtime costs will increase marginally.	
Awards	+100
Awards costs will increase marginally.	
Benefits	+746
Since retirement benefits are incurred as a percentage of salary, as salary costs increase, retirement benefits costs increase. In addition, benefits costs increase at a higher rate than compensation due to rising health insurance costs and the shifting demographics of the workforce. This shift results in an increased percentage of Commission employees covered by the Federal Employees Retirement System. Those benefits are almost triple the cost of Civil Service Retirement System benefits to the Commission.	
Net Personnel Cost Changes	+3,200

Non-Personnel Cost Changes

(Dollar Amounts in Thousands)

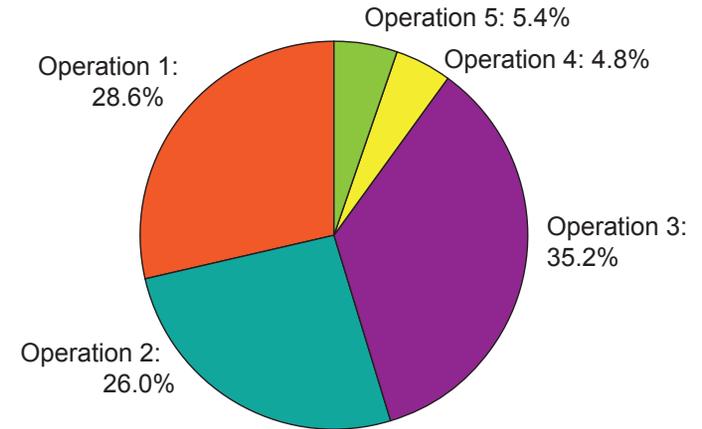
Rent	+700
Rent costs will increase by 6.9 percent to cover a full year's rent for the Commission's newly-acquired space on the second floor.	
Services	+148
Services costs will increase marginally by 1.4 percent.	
Supplies	+51
Supplies costs will increase marginally.	
Equipment	+501
Equipment costs will increase by 18.6 percent to cover the costs of upgrades and replacement of critical IT infrastructure as well as implementation of phase 1 of the Continuity of Operations Plan.	
Travel	+47
Travel costs will increase marginally.	
Training	+128
Training costs will increase by 27.1 percent to support training initiatives resulting from the OPM audit.	
Communications	+50
Communications costs will increase marginally to support increased use of wireless technology.	
Transportation	+5
Transportation costs will increase marginally.	
Land and Structures	-125
Land and structures costs will decrease by 12.5 percent due to completion of major renovations associated with the second floor in FY 2010.	
Printing and Reproduction	+10
Printing and Reproduction costs will increase marginally.	
Net Non-Personnel Cost Changes	+1,515
Total Adjustment to Base	+4,715

Dollar Cost: Comparison by Strategic Operation, Fiscal Years 2009, 2010, 2011

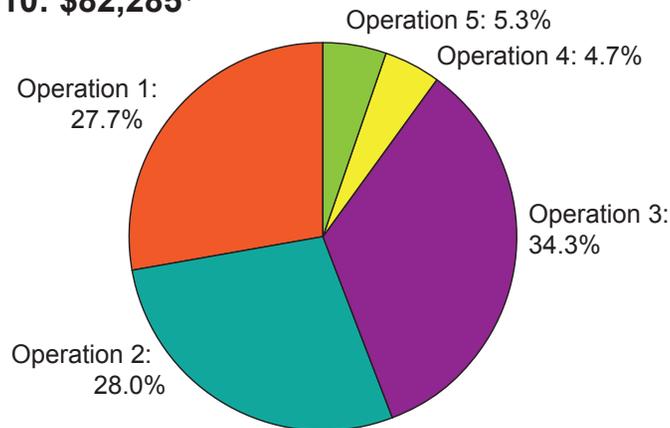
(Dollar Amounts in Thousands)



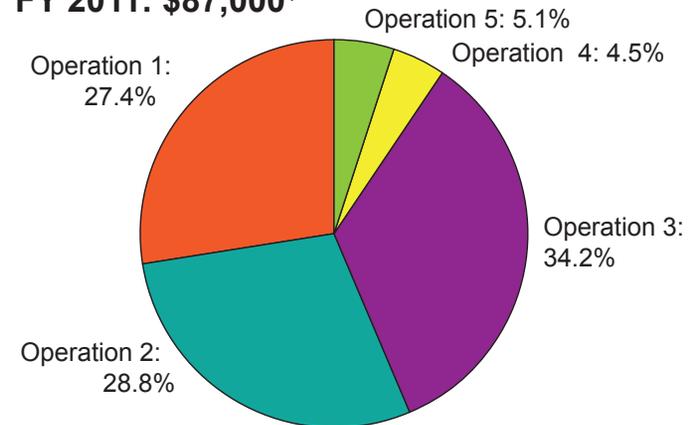
FY 2009: \$75,356



FY 2010: \$82,285¹



FY 2011: \$87,000¹



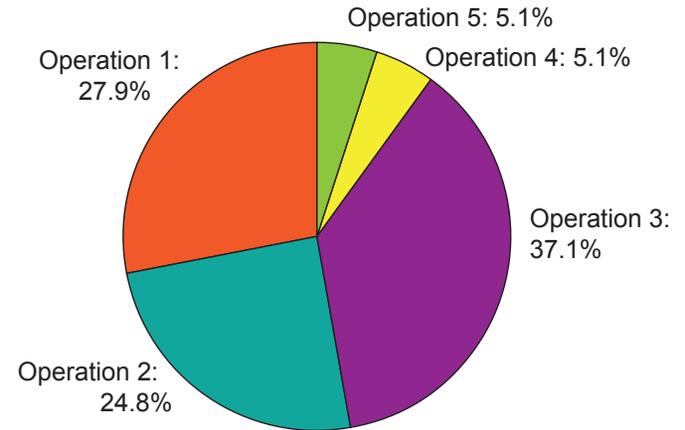
¹ Estimate

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

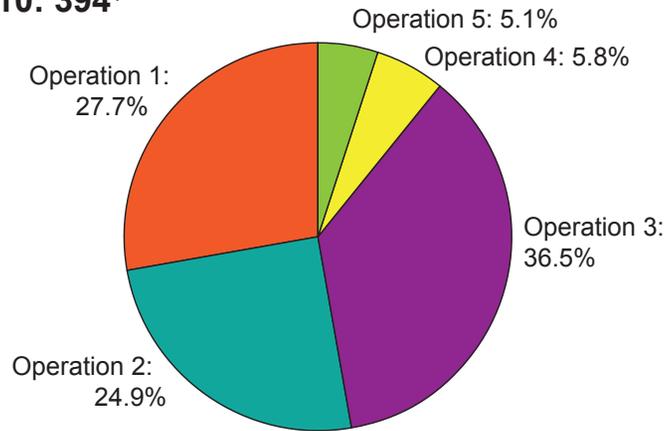
Workyears: Comparison by Strategic Operation, Fiscal Years 2009, 2010, 2011

- Strategic Operation No. 1: Import Injury Investigations
- Strategic Operation No. 2: Intellectual Property-Based Import Investigations
- Strategic Operation No. 3: Industry and Economic Analysis
- Strategic Operation No. 4: Tariff and Trade Information Services
- Strategic Operation No. 5: Trade Policy Support

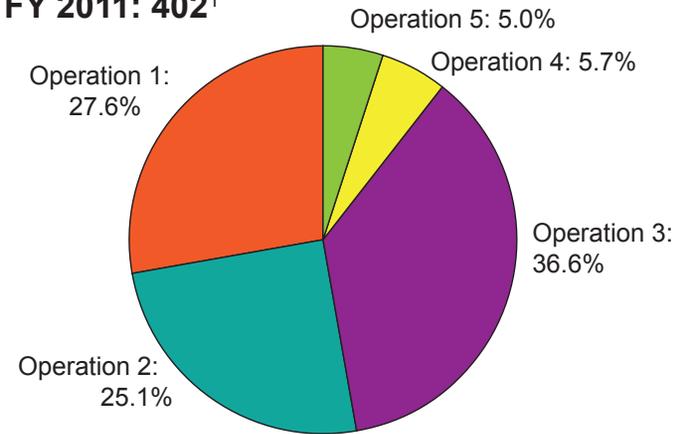
FY 2009: 388 FTE



FY 2010: 394¹



FY 2011: 402¹



¹ Estimate

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

Budget Summary by Strategic Operation, Fiscal Years 2009, 2010, 2011

(Dollar Amounts in Thousands)¹

Operation	FY 2009 Actual		FY 2010 Estimate		FY 2011 Estimate		FY 2010–11 Change	
	Workyears	Dollars	Workyears	Dollars	Workyears	Dollars	Workyears	Dollars
A. Direct Costs ²								
1: Import Injury Investigations	75	\$12,510	76	\$12,963	78	\$13,768	2	\$805
2: Intellectual Property-Based Import Investigations	63	11,007	65	12,181	67	13,478	2	1,297
3: Industry and Economic Analysis	94	14,310	95	14,876	97	15,701	2	825
4: Tariff and Trade Information Services	13	1,890	15	1,979	15	1,995	0	16
5: Trade Policy Support	13	2,314	13	2,392	13	2,406	0	15
Subtotal	257	\$42,032	264	\$44,390	270	\$47,348	6	\$2,958
B. Indirect Costs ³								
1: Import Injury Investigations	33	\$9,012	33	\$9,821	33	\$10,062	0	\$241
2: Intellectual Property-Based Import Investigations	33	8,600	33	10,911	34	11,586	1	675
3: Industry and Economic Analysis	50	12,212	49	13,333	50	14,064	1	731
4: Tariff and Trade Information Services	7	1,711	8	1,886	8	1,945	0	59
5: Trade Policy Support	7	1,788	7	1,943	7	1,995	0	52
Subtotal	131	\$33,324	130	\$37,894	132	\$39,652	2	\$1,757
C. Total Costs								
1: Import Injury Investigations	108	\$21,523	109	\$22,784	111	\$23,830	2	\$1,046
2: Intellectual Property-Based Import Investigations	96	19,607	98	23,092	101	25,064	3	1,972
3: Industry and Economic Analysis	144	26,522	144	28,209	147	29,765	3	1,556
4: Tariff and Trade Information Services	20	3,602	23	3,864	23	3,940	0	76
5: Trade Policy Support	20	4,102	20	4,335	20	4,401	0	66
Total	388	\$75,356	394	\$82,285	402	\$87,000	8	\$4,715

¹ Totals may not add up due to rounding.

² Direct costs include personnel costs directly attributed to the five strategic Operations including the Commissioners and Information Technology Services, as well as space rental and travel charged directly to the five strategic Operations in the Commissioner's Strategic Plan.

³ Indirect Costs include personnel costs such as OEE0 and general administration support services. Indirect costs also include virtually all non-personnel costs such as contractual services, supplies, and equipment, as well as rent, travel and training, labor, union, and OSHA. Most indirect costs are allocated to operations according to the percentage of total costs directly charged to each operation.

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

Workyears by Activity and Office, Fiscal Year 2009

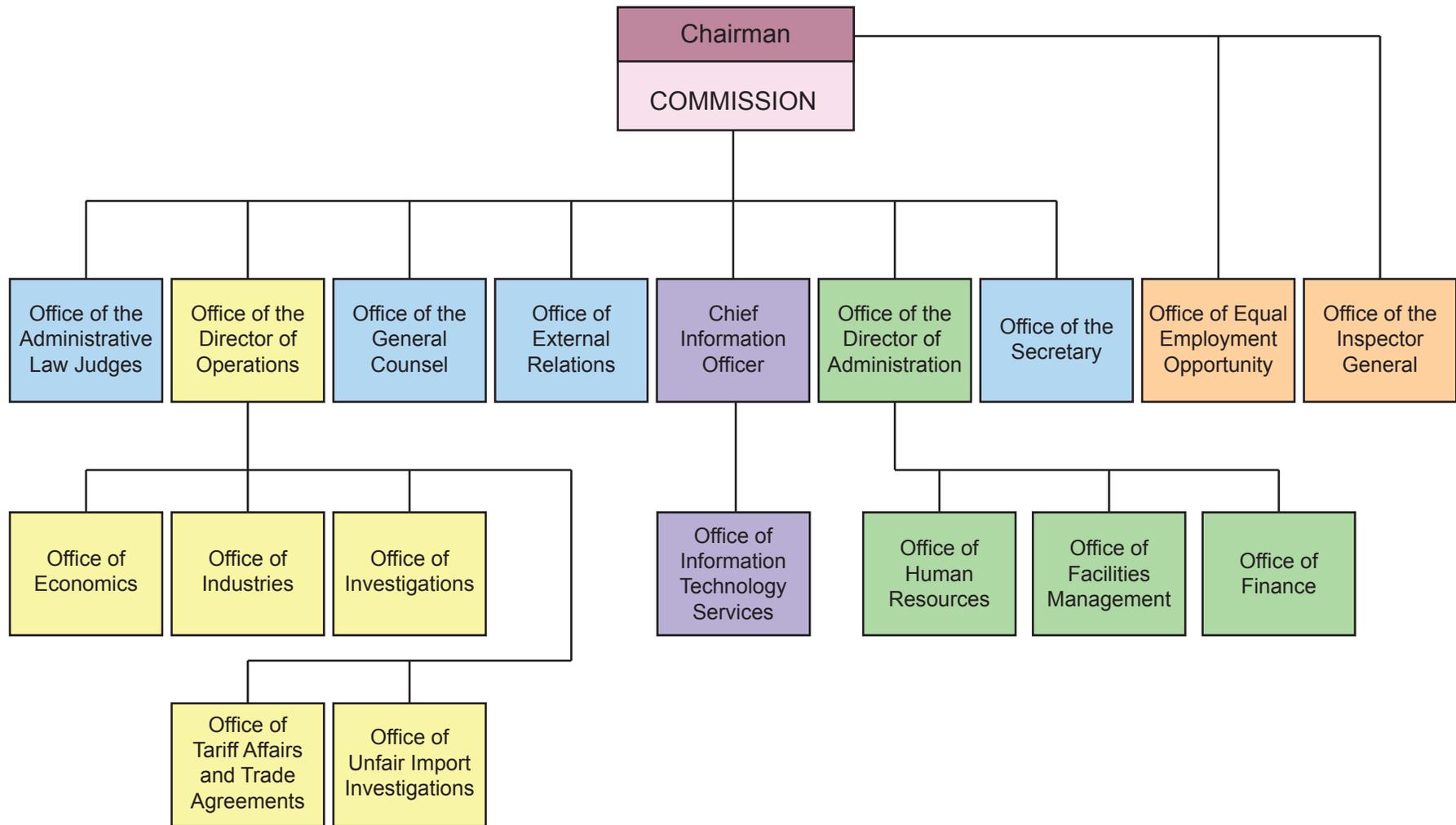
Office/Division	COMM	ER	IG	GC	SE	ALJ	EEO	OP	INV	OUII	EC	TATA	ID	CIO	AD	TOTAL
Operation 1: Import Injury Investigations	15.8	0.2	0.0	10.8	2.7	0.0	0.0	0.0	19.6	0.0	8.2	0.2	5.2	11.9	0.0	74.6
Title VII Investigations				3.5	1.6				13.1		5.3	0.1	2.8	2.1		28.5
Sunset Investigations				1.4	1.1				5.0		2.1		1.7	0.5		11.8
Other Investigations				0.1					0.8		0.4	0.1	0.3			1.8
Litigation				4.8							0.1					4.8
Operational Support ¹		0.2		1.0					0.7		0.3		0.4	9.3		11.9
Executive Direction	15.8															15.8
Operation 2: Intellectual Property-Based Investigations	3.9	0.3	0.0	11.1	0.6	17.7	0.0	0.0	0.0	19.7	0.0	0.0	0.0	9.5	0.0	62.8
Section 337 Investigations				6.8	0.6	17.7				19.2						44.2
Section 337 Litigation				4.3												4.3
Operational Support ¹		0.3		0.1						0.5				9.5		10.4
Executive Direction	3.9															3.9
Operation 3: Industry and Economic Analysis	5.3	0.0	0.0	0.4	0.1	0.0	0.0	6.7	0.9	0.0	21.6	0.1	47.3	11.3	0.0	93.6
Statutory Investigations				0.4	0.1			0.7	0.5		8.9		21.6	0.4		32.6
Other Industry and Economic Analysis								1.7	0.4		11.8	0.1	21.6	0.2		35.8
Operational Support ¹								4.3			0.9		4.0	10.7		19.9
Executive Direction	5.3															5.3
Operation 4: Tariff and Trade Information Services	0.8	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.1	0.0	0.0	8.1	1.7	2.1	0.0	12.8
Harmonized Tariff Schedule				0.1								6.3	0.7			7.1
Legislative Reports												1.0	0.3			1.3
Trade Database Management									0.1				0.3	0.8		1.1
Operational Support ¹												0.8	0.4	1.3		2.5
Executive Direction	0.8															0.8
Operation 5: Trade Policy Support	0.5	1.7	0.0	0.5	0.0	0.0	0.0	0.0	0.6	0.0	2.3	1.5	4.1	1.7	0.0	13.0
Technical Assistance to Congress		0.9		0.2							0.2	0.2	0.2			1.8
Technical Assistance to Executive		0.8		0.2							0.5	1.2	2.5			5.3
Operational Support ¹		0.1		0.1					0.6		1.6	0.1	1.3	1.7		5.9
Executive Direction	0.5															0.5
Leave/ Holidays	1.8	1.0	0.2	8.6	1.0	3.2	0.5	2.7	5.7	4.0	7.9	2.7	15.1	6.4	5.1	65.8
Administrative Overhead	0.0	1.8	1.3	6.0	2.6	1.1	1.7	3.1	4.5	0.8	7.5	0.5	11.4	1.1	22.9	66.4
Total²	28.2	5.2	1.5	37.6	7.0	22.0	2.1	12.5	31.4	24.5	47.6	13.1	84.7	44.0	28.0	388.0

¹ Operational support includes all activity codes not listed above, to include direct IT support.

² Totals may not add up due to rounding.

Source: Actual costs derived from the Labor Cost Reporting System.

Fiscal Year 2010 U.S. International Trade Commission Organization



Commission Approved Staffing Plan, Fiscal Years 2009, 2010, 2011

Office	FY 2009			FY 2010			FY 2011		
	Perm.	Term	Total	Perm.	Term	Total	Perm.	Term	Total
Commissioners' Offices	31		31	31		31	31		31
Administrative Law Judges	16	4	20	18	4	22	18	4	22
External Relations	5		5	5		5	5		5
General Counsel	43	1	44	43		43	43		43
Inspector General	4		4	4		4	4		4
Equal Employment Opportunity	2		2	2		2	2		2
Secretary	7		7	7		7	7		7
Subtotal Independent Offices	108	5	113	110	4	114	110	4	114
Operations, Director	15		15	5		5	5		5
Analysis and Research Services ¹				12		12	12		12
Investigations	37	1	38	35		35	35		35
Unfair Import Investigations	21		21	21		21	21		21
Economics	45	3	48	38	6	44	38	6	44
Tariff Affairs and Trade Agreements	14		14	14		14	14		14
Industries	100		100	91		91	91		91
Subtotal Operations	232	4	236	216	6	222	216	6	222
Chief Information Officer	5		5	5		5	5		5
Information Technology Services	20	4	24	21	1	22	21	1	22
Enterprise Security Management ²	6		6	6	1	7	6	1	7
Subtotal Chief Information Officer	31	4	35	32	2	34	32	2	34
Administration, Director	5	1	6	6		6	6		6
Facilities Management ³	7		7	6		6	6		6
Human Resources	7		7	8		8	8		8
Finance	5		5	6		6	6		6
Procurement ³	4		4	4		4	4		4
Dockets ²	9		9	12	2	14	12	2	14
Subtotal Administration	37	1	38	42	2	44	42	2	44
Commission Total	408	14	422	400	14	414	400	14	414

¹ Reorganization pending. Positions currently in Operations, Investigation and Economics.

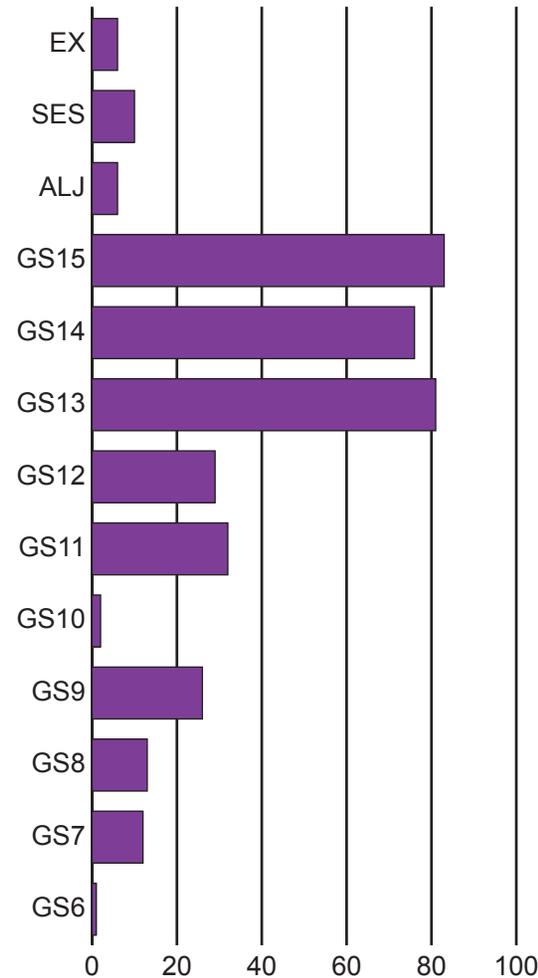
² Reorganization pending. Positions currently in OCIO.

³ Reorganization pending. Procurement currently part of Facilities Management.

Total Labor Cost/Workyears by Office, Fiscal Year 2009

(Dollar Amounts in Thousands)

FTE on Board by Grade (as of 9/30/2009)



Office	FY 2009 Actual			
	Commission Staffing Plan ¹	Workyears ²	Salaries and Benefits ³	Average Cost Salaries and Benefits
Commissioners' Offices	31	27.3	\$4,648.6	\$170.4
Administrative Law Judges	20	21.1	2,841.9	134.7
External Relations	5	5.0	847.0	168.0
General Counsel	44	39.4	6,143.9	156.0
Inspector General	4	1.5	229.6	148.4
Equal Employment Opportunity	2	2.1	259.1	120.6
Secretary	7	6.7	779.6	116.0
Operations, Director	15	12.0	1,422.5	118.1
Investigations	38	31.1	4,283.7	137.5
Unfair Import Investigations	21	23.6	4,148.2	176.0
Economics	48	45.3	6,190.5	136.6
Tariff Affairs and Trade Agreements	14	13.1	1,727.6	132.3
Industries	100	84.7	10,835.6	128.0
Chief Information Officer	44	41.1	4,826.3	117.4
Administration	29	28.6	3,089.0	108.1
Commission Total	422	382.8	\$52,273.1	\$136.6

¹ The Commission FY 2009 Approved Staffing Plan includes permanent (408) and term (14) positions.

² Total workyears includes overtime, but excludes temporary employees.

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

Source: Labor Cost Reporting System.

United States International Trade Commission Fiscal Year 2010 and 2011 Performance Plans



The following presents the elements of the Commission's final Performance Plan for fiscal year (FY) 2010 and the initial Plan for FY 2011 that are not addressed in the body of the agency's Budget Justification. Together, the justification and the plans form the Commission's Performance Budget. The Commission's performance planning is carried out in accordance with the provisions of the Government Performance and Results Act (GPRA or Results Act). The Plans are based on the seventh edition of the agency's Strategic Plan, which was issued in September 2009.

Mission statement

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

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

Introduction

The Commission has one program activity set forth in the Budget of the United States, but has, for the purposes of its Strategic Plan and Performance Budget, divided the agency's functions into five strategic Operations: (1) import injury investigations, (2) intellectual property related import investigations, (3) industry and economic analysis, (4) tariff and trade information services, and (5) trade policy support. The organization of the Budget along operational lines shows how the agency's goals relate to the costs of achieving targeted levels of performance. The Performance Plan portion

of the Budget sets out what the agency intends to accomplish in the coming years by establishing goals to define the level of performance to be achieved by each strategic Operation in FY 2010 and 2011. The Commission has determined that the goals set in the Performance Plans are appropriate and reasonable. As encouraged by the Results Act, the Commission has sought to express those performance goals in an objective, quantifiable, and measurable form. To the extent practicable, the Commission has established outcome-oriented goals. Output-oriented goals appear in the Plans only if they constitute relevant and significant measures of performance. The Performance Plans reproduce the strategic and performance goals that are set out in the Commission's Strategic Plan, as revised, and establish FY 2010 and 2011 annual goals corresponding to each performance goal. For the purposes of the Results Act, each annual goal serves both as a performance goal to define the level of performance to be achieved, and a performance indicator to measure outputs, service levels, and outcomes. For each annual goal, the staff offices responsible for measurement are noted in parentheses.

Consistent with the E-Government Act of 2002, the Plans include performance measures that demonstrate how electronic government enables progress toward agency objectives, goals, and mandates. The Plans also discuss the agency's performance during FY 2005, 2006, 2007, 2008, and 2009. The Budget Justification describes, with respect to each strategic Operation, the operational processes, skills and technology, and the human, capital, information, or other resources required to meet the performance goals.

The Commission performs an annual verification and validation of measured values. For each strategic Operation, a senior agency manager serves as Operation Coordinator. Among the duties of the Operation Coordinators is the responsibility to coordinate that verification and validation, under the general oversight of the Strategic Planning Committee. That process involves review of the logs and reports generated by staff offices to monitor annual goal achievement, and such other procedures as the Operation Coordinators determine to implement, including the use of existing record keeping processes, and automated systems such as the Electronic Document Information System (EDIS). The Commission plans to develop written procedures on how verification and validation are conducted so as to reflect agency practice.

The Commission made progress in FY 2005, 2006, 2007, 2008, and 2009 toward the achievement of the goals set out in the Performance Plans for those periods. The Operation Coordinators developed a variety of customer surveys and logs to measure the agency's success at meeting those goals. The Commission issued an FY 2009 Performance and Accountability Report in November 2009.

The Strategic Plan

In September 2009, the Commission issued the seventh edition of its Strategic Plan. As noted above, these Performance Plans are based on that edition. The current Strategic Plan covers the period FY 2009–14, and has been updated and enhanced on the basis of the Commission's past experience in strategic planning.

Guide to abbreviations used in the Plans

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

STRATEGIC OPERATION NO. 1: Import Injury Investigations

In FY 2010 and 2011, the Commission will seek to improve its performance in conducting import injury investigations by increasing public access to information about the process. The Commission will also monitor and, if necessary, modify its procedures to ensure that they continue to be fair and properly implemented, and will continue to complete proceedings on time. To those ends, the Commission plans to update informational materials and, as appropriate, develop new ones, seek feedback from participants and promptly provide them with investigative data, perform internal reviews of draft investigation and litigation documents, meet deadlines, and undertake regular reviews and assessments of the import injury program or its components to identify areas for potential improvement. External factors affecting performance within Strategic Operation No. 1 include industry decisions on whether to file cases, Commerce Department determinations, judicial and panel reviews, and changes in legislation. The Commission will continue to consult as necessary with the Department of Commerce on the two agencies' distinct roles in the antidumping and countervailing duty investigative process.

Strategic Goal

The Commission's strategic goal in conducting import injury investigations is to support a rules-based international trading system by producing high-quality and timely import injury determinations based on the following:

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

Performance and Annual Goals

Performance Goal No. 1: Improve the quality and efficiency of the investigative process by conducting internal reviews, including review of draft investigation and litigation documents.

FY 2010 Annual Goals	FY 2011 Annual Goals
<ul style="list-style-type: none"> a. Achieve 80 % positive Commissioner comments on sufficiency of the information in the record (INV/GC). b. Ensure that staff reports, legal issues memoranda, opinions, and briefs are produced with review by and input from all appropriate investigative team members (INV/GC). 	<ul style="list-style-type: none"> a. Achieve 85 % positive Commissioner comments on sufficiency of the information in the record (INV/GC). b. Ensure that staff reports, legal issues memoranda, opinions, and briefs are produced with review by and input from all appropriate investigative team members (INV/GC).

Performance Goal No. 2: Meet statutory, court, and administrative deadlines.

FY 2010 Annual Goals	FY 2011 Annual Goals
<ul style="list-style-type: none"> a. Submit all reports, determinations, memoranda, draft opinions, and briefs on time (INV/GC). 	<ul style="list-style-type: none"> a. Submit all reports, determinations, memoranda, draft opinions, and briefs on time (INV/GC).

Performance Goal No. 3: Improve the development of investigative records.

FY 2010 Annual Goals	FY 2011 Annual Goals
<ul style="list-style-type: none"> a. Make progress on improving methods of gathering and processing investigative data, taking into account results of biannual survey of investigation participants regarding investigative procedures (INV/ITS). 	<ul style="list-style-type: none"> a. Make progress on improving methods of gathering and processing investigative data (INV/ITS).

Performance Goal No. 4: Improve the scope, quality, and transparency of information regarding investigations, both to investigative participants and the public.

FY 2010 Annual Goals	FY 2011 Annual Goals
<p>a. Achieve 1 point improvement over FY 2009 level of satisfaction reported by users of ITC import injury Web pages (ITS).</p> <p>b. Make available 75 % of documents filed on EDIS within 24 hours, and 85 % within 48 hours (OAD).</p>	<p>a. Achieve 1 point improvement over FY 2010 level of satisfaction reported by users of ITC import injury Web pages (ITS).</p> <p>b. Make available 80 % of documents filed on EDIS within 24 hours, and 90 % within 48 hours (OAD).</p>

Note: In annual goals, the offices shown in parentheses are the staff offices responsible for measurement.

The Commission will employ the following strategies to contribute to the fulfillment of its goals.

1. Effectively allocate and enhance human resources.
2. Continually assess and adapt new technologies and revise business processes as needed.
3. Review programs and procedures in light of changing needs of investigation participants and technological developments.

Performance

During FY 2005, 2006, 2007, 2008, and 2009 the Commission generally met the performance goals of its Performance Plans:

- In FY 2005, the Commission enhanced the design and content of its Web site, providing a separate page for each active and recently completed import injury investigation, showing key dates of interest to the public, contact information for assigned staff, and links to all relevant Commission and Commerce notices, questionnaires, transcripts, service lists, news releases, and public reports, available for downloading and printing. Also added were information pages on the major types of import injury investigations and the Byrd Amendment, and links to resources such as relevant sections of trade statutes, the Commission's Rules of Practice and Procedure, statutory timetables, historical import injury case statistics, Commerce's Import Administration, the Sunset Reviews Web site, outstanding AD/CVD orders, ITC publications on import injury cases, EDIS, the *Antidumping and Countervailing Duty Handbook* (the

Blue Book), and *An Introduction to Administrative Protective Order Practice in Import Injury Investigations* (the Red Book). The Commission also released an enhanced search tool for EDIS in FY 2005. This tool provided improved access to public documents, including multiple search options, faster retrieval, and more user-friendly results. In addition, the Commission updated the Blue Book; conducted appropriate internal review of draft documents, including opinions; and issued all determinations and related documents on time.

- In FY 2006, pursuant to comments submitted by the trade bar in connection with its fourth user survey, the Commission reviewed procedures related to the issuance of questionnaires and access to documents on EDIS and took steps toward process improvements in those areas. The Commission conducted appropriate internal review of draft documents, including opinions; and issued all determinations and related documents on time. Semi-annual reviews were conducted related to the content of the import injury Web pages, and a baseline was established for the level of satisfaction reported by users of those pages. System modifications to EDIS were implemented to allow for the electronic acceptance of confidential documents.
- In FY 2007, pursuant to comments submitted by the trade bar in connection with its fourth user survey, the Commission began on a regular basis to issue import injury questionnaires in MS Word format for ease of use by responding parties. The Commission created templates of questionnaires in MS Word using form fields so that respondents could enter data into those fields electronically and staff could block-copy data into spreadsheets and other formats, thereby reducing data entry errors. The Commission updated the Blue Book; conducted appropriate internal review of draft documents, including opinions; and issued all determinations and related documents on time. Semi-annual reviews were conducted related to the content of the import injury Web pages, and significant enhancements were made to the design and content of those pages.
- In FY 2008, the Commission published a notice in the Federal Register seeking comments on proposed changes to the conduct of five-year reviews, specifically shortening the period available to interested parties to respond to questions in the notice of institution, seeking additional information from interested parties through the notice of institution and, in certain circumstances, seeking information from purchasers during the adequacy phase of five-year reviews. In addition, the Commission conducted appropriate internal review of draft documents, including opinions; and issued all determinations and related documents on time. Semi-annual reviews were conducted related to the content of the import injury Web pages, and significant enhancements were made to the design and content of those pages. The Blue Book will be

updated in FY 2009. The Commission began using a content management system to allow appropriate staff to easily and efficiently manage Web page content. In particular, content management workflows were implemented allowing import injury investigation documents and related information to be regularly posted to the import injury Web pages in order to keep content up-to-date. Finally, the Commission released a new EDIS Coding Manual to all users of EDIS to define more clearly the guidelines for describing the documents being submitted, thus reducing the number of errors associated with document submissions.

- In FY 2009, the Commission accomplished the following—
 - The Commission performed an in-depth internal review of its practices and procedures with regard to import injury investigations. Changes to standard questionnaire templates and report structures were made to enhance the quality of the reports and to expand data collection efforts on issues raised in recent court determinations.
 - Pursuant to an examination of potential changes with regard to conducting five-year reviews, the Commission began to collect additional information from interested parties through the notice of institution and from purchasers through questionnaires. This enhancement provides the Commission with an improved record upon which to make adequacy determinations.
 - With respect to safeguards, the Commission completed the first investigation since 2005 conducted under section 421 of the Trade Act of 1974, concerning Certain Passenger Vehicle and Light Truck Tires from China.
 - A re-engineered version of EDIS was released at the end of first quarter of calendar year 2009. The new hardware architecture and an updated software suite, which is more user friendly and maintainable, have improved the overall performance of the system and will benefit both the Commission and outside parties.
 - A new public Web site was deployed during the year with the goal of improving the ease of use and navigation; the Commission will continue to monitor the level of satisfaction reported by users of the ITC import injury Web page as more users experience the new Web page.
 - The Commission has furthered its efforts in the area of improving the ease of responding to questionnaires, as all questionnaires for import injury investigations are issued in MS Word format. The agency allows responding firms to electronically enter the data and return the questionnaires via email if they desire. Such electronic submissions result in processing

efficiencies for the Commission by reducing data entry. While firms have not utilized this capability as much as anticipated, the Commission will continue to gauge how best to gather data to reduce the burden on outside parties and to increase efficiency internally.

- The Commission made improvements with regard to internal document exchange (in particular the process of using scanned questionnaires) which greatly reduced the internal flow of paper. In addition, the Commission expanded its practice of releasing data under APO through the use of CDs, which resulted in a significant reduction in paper volume.
- The Commission reviewed the Blue Book and made updates where appropriate; conducted appropriate internal review of draft documents, including opinions; and issued all determinations and related documents on time.

STRATEGIC OPERATION NO. 2: Intellectual Property–Based Import Investigations

The Commission plans to undertake activities during FY 2010 and 2011 to measure and enhance performance with respect to three central concerns in the Section 337 area: the expeditious completion of proceedings, the effectiveness of the agency's orders, and the provision of information to the public about the section 337 process. The Commission will collect and analyze data regarding the length of investigations and ancillary proceedings and the Commission's compliance with key statutory and administrative deadlines. The Commission will also ensure that new filings are entered into EDIS in a timely manner and that additional types of information are made available to the public. During FY 2000, the agency surveyed complainants who obtained exclusion orders regarding whether imports subject to exclusion had stopped and then developed recommendations in light of survey results. This survey was repeated in late FY 2005 in order to obtain further feedback from the public, and during 2006 a Commission working group compiled and analyzed the responses, and a goal providing for semiannual meetings with members of the Intellectual Property Rights (IPR) Branch of U.S. Customs and Border Protection (Customs) was added to the Commission's Performance Plan to facilitate communications between Commission and Customs personnel regarding enforcement of Section 337 remedial orders. The Commission plans to conduct a similar survey during FY 2010 to obtain current feedback from the public regarding the enforcement of exclusion orders. External factors affecting performance of this function include the size and complexity of the Section 337 docket, which is dependent on the decisions of businesses to file cases; judicial review; legislative changes; and Customs enforcement of exclusion orders.

Strategic Goal

The Commission's strategic goal is to conduct intellectual property-based import investigations in an expeditious, technically sound, and transparent manner, and provide for effective relief when relief is warranted, to support a rules-based international trading system.

Performance and Annual Goals

Performance Goal No. 1: Meet statutory and key administrative and court deadlines, conclude Section 337 investigations expeditiously, and reduce the average time to conclude ancillary proceedings.

FY 2010 Annual Goals	FY 2011 Annual Goals
<p>a. Institute investigations; set target dates; file TEO and final IDs, TEO and final determinations, and court briefs on time (OUII/GC).</p> <p>b. Conclude investigations into alleged section 337 violations within time frames that are consistent with the URAA (OUII/GC).</p> <p>c. Ensure that the average length of ancillary proceedings is:</p> <ul style="list-style-type: none"> (1) modification – 6 mos. (2) advisory – 12 mos. (3) enforcement – 12 mos. (4) consolidated ancillaries – 15 mos. (OUII/GC). 	<p>a. Institute investigations; set target dates; file TEO and final IDs, TEO and final determinations, and court briefs on time (OUII/GC).</p> <p>b. Conclude investigations into alleged section 337 violations within time frames that are consistent with the URAA (OUII/GC).</p> <p>c. Ensure that the average length of ancillary proceedings is:</p> <ul style="list-style-type: none"> (1) modification – 6 mos. (2) advisory – 12 mos. (3) enforcement – 12 mos. (4) consolidated ancillaries – 15 mos. (OUII/GC).

Performance Goal No. 2: Improve the scope, quality, and transparency of information regarding investigations provided both to investigative participants and the public.

FY 2010 Annual Goals	FY 2011 Annual Goals
<p>a. Achieve 1 point improvement over FY 2009 level of satisfaction reported by users of ITC intellectual property infringement Web pages (ITS).</p> <p>b. Make available 75 % of documents filed on EDIS within 24 hours, and 85 % within 48 hours (OAD).</p>	<p>a. Achieve 1 point improvement over FY 2010 level of satisfaction reported by users of ITC intellectual property infringement Web pages (ITS).</p> <p>b. Make available 80 % of documents filed on EDIS within 24 hours, and 90 % within 48 hours (OAD).</p>

Performance Goal No. 3: Actively facilitate enforcement of exclusion orders.

FY 2010 Annual Goals	FY 2011 Annual Goals
<p>a. Issue seizure and forfeiture orders approximately 60 days after receipt of notification letters from Customs (GC).</p> <p>b. Provide scheduling information regarding section 337 proceedings to Customs on a quarterly basis (OUII/GC).</p> <p>c. Conduct a survey regarding the effectiveness of outstanding exclusion orders (OUII).</p>	<p>a. Issue seizure and forfeiture orders approximately 60 days after receipt of notification letters from Customs (GC).</p> <p>b. Provide scheduling information regarding section 337 proceedings to Customs on a quarterly basis (OUII/GC).</p> <p>c. Formulate recommendations regarding enforcement in view of survey results and implement any such recommendations adopted by the Commission (OUII).</p>

Performance Goal No. 4: Improve the Commission’s physical and information infrastructure in order to meet the demand and requirements for expeditious adjudication of often-complex intellectual property disputes.

FY 2010 Annual Goals	FY 2011 Annual Goals
<p>a. Acquire additional space for conferences and hearings (SE/OAD).</p>	<p>a. Complete renovations to adapt additional space for conferences and hearings (SE/OAD).</p>

Note: In annual goals, the offices shown in parentheses are the staff offices responsible for measurement.

The Commission will employ the following strategies to contribute to the fulfillment of its goals.

1. Effectively allocate and enhance human resources.
2. Continually assess and adapt new technologies and revise business processes as needed.
3. Review programs and procedures in light of changing needs of investigation participants and technological developments.

Performance

During FY 2005, 2006, 2007, 2008, and 2009 the Commission generally met the performance goals of its Performance Plans:

- During FY 2005, the Section 337 workload increased, with the number of matters active during the year more than 25 percent above that of FY 2004. The Commission continued to meet deadlines and issue virtually all documents on time. During the year, the Commission did not meet its goals regarding electronic access to filed documents and determined that organizational realignment of the Office of the Chief Information Officer and continued system enhancements to EDIS were necessary. The Commission completed a reorganization of the Office of the Chief Information Officer, whereby the docket function, formerly a service maintained by Office of the Secretary, became the Docket Division of the Office of Information Technology Services. The intent of this realignment was to accelerate the transformation of the docket function to a predominantly electronic service. System modifications were implemented to enhance access to public documents, including faster retrieval, and more user-friendly search results. The Commission sent out survey questionnaires regarding the effectiveness of outstanding exclusion orders in the last quarter of FY 2005.
- During FY 2006, the Section 337 caseload continued to climb, with new matters increasing by nearly 40 percent as compared to the prior year and the total number of matters active during the course of the year increasing by more than 20 percent. Nevertheless, the Commission continued to meet deadlines and issue virtually all documents on time. During the year, the enforcement working group collected and analyzed responses to the exclusion order survey and prepared recommendations for the Commission's consideration in view of the survey results. The working group also began providing Section 337 scheduling information to Customs on a quarterly basis. System modifications to EDIS were implemented to allow for the electronic acceptance of confidential documents.
- During FY 2007, the Section 337 area was again extremely active, with the number of investigations before the Commission during the year exceeding the record level experienced in FY 2006. Overall, the number of active cases in FY 2007 was nearly 80 percent higher than the number of active cases four years earlier. Moreover, the Office of ALJs not only shouldered an exceptionally heavy workload, but also had to adjust to the retirement of two ALJs and the extended absence of another during the year. Although the Commission continued to meet its deadlines for the institution of new investigations and the issuance of final decisions, interim deadlines for the establishment of target dates and the issuance of initial determinations regarding violation were missed in a handful of investigations. Also, the average length of time taken to reach a final decision on the merits increased to 16.6 months as compared to an average length of investigations of less than 15 months in the preceding four years. Members of the enforcement working group met with representatives from the IPR Branch of Customs to

discuss matters relating to exclusion order enforcement, and the enforcement working group continued to provide Section 337 scheduling information to Customs on a quarterly basis. System modifications to EDIS were implemented during FY 2007 to allow for the electronic notification of document submissions to internal users and to allow search results to be viewed in a tabular format and sorted more easily.

- During FY 2008, the number of new Section 337 complaint filings and the number of Section 337 matters active during the year reached new record levels. In total, the number of new investigations and new ancillary proceedings rose by nearly 50 percent as compared to FY 2007, and the number of matters active during the course of the year was nearly 20 percent higher than in FY 2007. To meet its record-high caseload, the Commission hired two new ALJs to bring the total to five ALJs. The Commission also appointed a Chief Administrative Law Judge. The Commission continued to meet its deadlines for the institution of new investigations and the issuance of final decisions, and to meet interim deadlines for the establishment of target dates. The ALJs also met their deadlines for the issuance of initial determinations regarding violation. However, deadlines for the establishment of target dates were missed in a few instances. As in FY 2007, the average length of time taken to reach a final decision on the merits was between 16 and 17 months. Members of the enforcement working group continued to meet with representatives from the IPR Branch of Customs to discuss matters relating to exclusion order enforcement, and the enforcement working group continued to provide Section 337 scheduling information to Customs on a quarterly basis. The goals regarding the availability of documents on EDIS were also met this year. Additionally, the Commission released a new EDIS Coding Manual to all EDIS users to define more clearly the guidelines for describing the documents being submitted, thus reducing the number of errors associated with document submissions.
- In FY 2009, the Commission accomplished the following—
 - The level of new Section 337 complaint filings remained high, but receded from the record level of new filings experienced in FY 2008, while the number of matters active during the course of the year approximated that of FY 2008. The Commission hired a sixth ALJ.
 - The Commission continued to meet its deadlines for the institution of new investigations and the issuance of final decisions, and the ALJs also met their deadlines for the issuance of initial determinations regarding violation and the establishment of target dates. However, the average length of time to reach a final decision by the Commission on the merits in Section 337 investigations increased in FY 2009 to slightly less than 18 months.

- During the year, the Commission initiated a voluntary pilot mediation program in an effort to facilitate more settlements in section 337 investigations although no investigations have yet entered the mediation program. Members of the enforcement working group continued to meet with representatives from the IPR Branch of Customs to discuss matters relating to exclusion order enforcement.
- The Commission released a re-engineered version of EDIS during the second quarter of FY 2009, and the Commission exceeded its metrics for making documents available on EDIS under the previous system. The Commission acquired and utilized temporary space to enhance its ability to schedule timely hearings. An updated version of the popular publication, “Frequently Asked Questions about Section 337” was released, and numerous enhancements were made to the Commission Web site in FY 2009.

STRATEGIC OPERATION NO. 3: Industry and Economic Analysis

The Commission continues its statutory mission to provide expert analysis and information to Congress and the executive branch in both formal reports and informal technical assistance. The Commission's goal is to provide sound, objective, value-added analytical products in a timely manner that lead to more informed public debate on trade policy issues. External factors affecting the performance of this strategic Operation include customer requests for studies and legislative initiatives. Commission experts are regularly called upon for information and analysis on current and future trade issues and proposed trade legislation, and are in frequent demand as technical experts to Congressional staff, interagency policy committees, and trade negotiating teams.

In 2008 the Commission began using a phone survey to follow up with statutory report clients, asking for insights on client satisfaction, and developed a baseline. The Commission is using FY 2008 data as a benchmark for analysis of future performance.

Strategic Goal

The Commission's strategic goal is to enhance the quality and timeliness of its industry and economic analysis to support sound and informed trade policy formulation.

Performance and Annual Goals

Performance Goal No. 1: Develop and improve efficient and effective research methods.

FY 2010 Annual Goals	FY 2011 Annual Goals
<p>a. Obtain 2 % improvement over FY 2009 responses from executive branch and congressional staff categorizing delivered statutory reports as useful (EC).</p> <p>b. Deliver all section 332 reports to requesters on time (EC).</p>	<p>a. Obtain 2 % improvement over FY 2010 responses from executive branch and congressional staff categorizing delivered statutory reports as useful (EC).</p> <p>b. Deliver all section 332 reports to requesters on time (EC).</p>

Performance Goal No. 2: Expand the Commission’s capacity to anticipate and address new research issues and areas as they emerge.

FY 2010 Annual Goals	FY 2011 Annual Goals
<p>a. Produce more than 60 staff-initiated articles, working papers, research notes, and presentations at professional meetings/conferences, as resources and mandatory work permit (OP).</p> <p>b. Respond to customer requests using two new types of analysis or subject areas (EC).</p> <p>c. Expand economic modeling and analytical capabilities. Focus for FY 2010 will be: (a) continuation of model validation process to monitor USITC general equilibrium model performance; (b) continued expansion of the development and use of new tools/ databases related to NTMs, services and foreign direct investment to inform trade policy activities; (c) extend the USAGE dynamic database to latest I/O table and transform database to NAICS nomenclature; and (d) updating the USAGE add-on modules for state level and occupational break outs (EC).</p>	<p>a. Produce more than 64 staff-initiated articles, working papers, research notes, and presentations at professional meetings/ conferences, as resources and mandatory work permit (OP).</p> <p>b. Respond to customer requests using two new types of analysis or subject areas (EC).</p> <p>c. Expand economic modeling and analytical capabilities. Focus for FY 2011 will be (a) continuation of model validation process to monitor USITC general equilibrium model performance; (b) continued expansion of the development and use of new tools/ databases related to NTMs, services and foreign direct investment to inform trade policy activities; (c) extend USAGE model to incorporate investment behavior (d) development of new sources of data to further understand global trade patterns.</p>

Performance Goal No. 3: Improve the Commission’s communications with its customers to ensure that they understand the agency’s capabilities and are able to benefit from its expertise.

FY 2010 Annual Goals	FY 2011 Annual Goals
<p>a. Achieve 2 point improvement over FY 2009 level of satisfaction reported by users of ITC Industry and Economic Analysis Web pages (ITS/EC).</p> <p>b. Increase use of ITC Web site (including EDIS) to facilitate public involvement in studies and to disseminate information. Special efforts in FY 2010 include broadcasting Commission industry and economic analysis and highlighting independent research more widely on the Web site (EC).</p> <p>c. Provide training on briefing skills to at least 30 employees to enhance small group communication with both internal and statutory customers (ID/EC).</p>	<p>a. Achieve 1 point improvement over FY 2010 level of satisfaction reported by users of ITC Industry and Economic Analysis Web pages (ITS/EC).</p> <p>b. Increase use of ITC Web site to facilitate public involvement in studies and to disseminate and collect information. Special efforts in FY 2011 include promoting products or product features on Web site (EC).</p> <p>c. Provide training on briefing skills to an additional 20 employees to enhance small group communication with both internal and statutory customers (ID/EC).</p>

Note: In annual goals, the offices shown in parentheses are the staff offices responsible for measurement.

The Commission will employ the following strategies to contribute to the fulfillment of its goals.

1. Effectively allocate and enhance human resources.
2. Continually assess and adapt new technologies and revise business processes as needed.
3. Review programs and procedures in light of changing needs of investigation participants and technological developments.

Performance

During FY 2005, 2006, 2007, 2008, and 2009, the Commission generally met the performance goals of its Performance Plans:

- In FY 2005, the Commission established a baseline for satisfaction of its Web users for Strategic Operation No. 3. The Commission continued to focus on improving delivery of its reports via the Web site. During FY 2005, the Commission delivered a number of innovative reports to Congress and USTR such as *The Impact of Trade Agreements Implemented Under Trade Promotion Authority*; *Foundry Products: Competitive Conditions in the U.S. Market*; *Logistic Services: An Overview of the Global Market and Potential Effects of Removing Trade Impediments*; *U.S. Trade*

and Investment with Sub-Saharan Africa: Fifth Annual Report; Remediation and Nature and Landscape Protection Services: an Examination of U.S. and Foreign Markets; and U.S.-Bahrain Free Trade Agreement: Potential Economywide and Selected Sectoral Effects.

- In FY 2006, the Commission initiated e-mail subscription lists to provide customers with automatic updates and information about its reports. Relative to the 2005 benchmark, the Web satisfaction survey indicated that the agency had improved in 10 out of 11 surveyed areas. The Commission also made significant progress toward its corporate research agenda: research focusing on U.S. foreign direct investment resulted in one staff paper on the topic; research continued on Chinese trade and development, resulting in a paper on U.S.-China trade and another on the impact of Chinese demand on world commodities; and ongoing research on NTMs resulted in a paper regarding the price effect of banking NTMs, as well as the use of this research in statutory reports on Colombia and Korea. In addition, the Commission delivered four studies on future and potential FTAs to USTR (*U.S. Korea Free Trade Agreement: Advice Concerning the Probable Economic Effect of Providing Duty-Free Treatment for Imports; U.S.-Malaysia Free Trade Agreement: Advice Concerning the Probable Economic Effect of Providing Duty-Free Treatment for Imports; U.S.-Oman Free Trade Agreement: Potential Economywide and Selected Sectoral Effects; U.S.-Peru Trade Promotional Agreement: Potential Economywide and Selected Sectoral Effects*). Other special accomplishments in 2006 include delivering innovative reports (*Economy-wide Simulation Modeling: Technical Analysis of the Doha Round; Conditions of Competition for Certain Oranges and Lemons in the U.S. Fresh Market; NAFTA: Woven Cotton Boxers and Shorts: Probable Effect of Modifications on NAFTA Rules of Origin for Goods of Canada and Mexico; Probable Effect of Certain Modifications to the North American Free Trade Agreement Rules of Origin*).
- In FY 2007, the Commission spent considerable energy on its corporate research agenda, in addition to its increased statutory work load. In the area of foreign direct investment, staff made considerable progress on deepening in-house knowledge by publishing two papers (“Competitive Conditions of Foreign Direct Investment in India”; and “Inbound and Outbound U.S. Direct Investment with Leading Partner Countries”). In model validation, staff incorporated data on trade in new varieties. These data are the foundation for ongoing work on understanding the extent to which tariff reductions and FTAs resulted in new trade in previously nontraded goods that are not addressed in our current models. In addition, the Commission delivered three studies to USTR on trade agreements: *U.S.-Colombia Free Trade Agreement: Potential Economywide and Selected Sectoral Effects; U.S.-Panama Free Trade Agreement: Potential Economywide and Selected Sectoral Effects; and U.S.-Korea Free Trade Agreement: Potential Economywide and*

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

- In FY 2008, the Commission experienced a heavy statutory workload and delivered innovative reports to Congress and USTR such as: *Industrial Biotechnology: Development and Adaptation by the U.S. Chemical and Biofuel Industries; Sub-Saharan Africa: Factors Affecting Trade Patterns of Selected Industries: Second Annual Report; Global Beef Trade: Effects of Animal Health, Sanitary, Food Safety, and Other Measures on U.S. Beef Exports; and Wood Flooring and Hardwood Plywood: Competitive Conditions Affecting the U.S. Industries*. In addition, the Commission made significant progress with its industry and economic analysis research agenda and updates to various analytical tools. The Commission spent significant efforts developing its models, especially the USAGE model by including more detailed industry specification, in particular in the sweetener and ethanol sectors. One major model development was redefining the data base using NAICS-based Input-Output accounts, which allows consistency with future national income data. These model enhancements will be used for the latest update of the Import Restraints study requested by USTR. In addition, the China trade project continues to examine issues in U.S.-China bilateral trade, making use of highly disaggregated data from China, United States and Hong Kong. Three important papers were completed this year on China: the first developed an analytical approach to estimate the use of imported and domestically produced intermediate inputs in Chinese exports; the second estimated vertical specialization of China's exports; the third examined the role of tax and tariff erosion and money laundering in explaining the U.S.-China trade data discrepancy. The model validation project continues work in two separate efforts: one project looks at the implications of tariff rates on nontraded and newly traded varieties of goods to more accurately reflect the restrictiveness of tariffs; the other effort uses the USAGE model to generate historical forecasts for detailed U.S. commodities and compares these forecasts to actual outcomes. Finally, Commission staff

expanded its NTM research efforts, incorporating into a Congressionally-mandated study of the U.S.-Korea Free Trade Agreement new methods of connecting price data with policy data to assess the market impact of particular NTMs.

- In FY 2009, the Commission accomplished the following—
 - Staff delivered innovative reports to Congress and USTR and continued to focus on corporate research as the statutory workload shifted back to a pre-2007 level. Notable reports include: *Property-Casualty Insurance Services: Competitive Conditions in Foreign Markets*; *Sub-Saharan Africa: Effects of Infrastructure Conditions on Export Competitiveness, Third Annual Report* (the last report in the series); and *Sub-Saharan African Textile and Apparel Inputs: Potential for Competitive Production*.
 - In addition, the Commission delivered two studies to USTR on trade agreements: *Viscose Rayon Staple Fiber: Probable Effect of Modification of U.S.-Australia Free Trade Agreement Rules of Origin* and *Probable Economic Effect of Certain Modifications to the U.S. - Chile Free Trade Agreement Rules of Origin*. In addition, the Commission completed its final report on *Monitoring of U.S. Imports of Tomatoes*, and *Monitoring of U.S. Imports of Peppers*. Corporate research has included executive briefings, data investigations and staff working papers.
 - Over the past 18 months, the Executive Briefings on Trade effort has produced a variety of two-page briefings on timely international trade and economic issues. Initially produced to brief the Commission, many of these briefing documents have been posted to the USITC Web site for public use.
 - The Commission has continued to advance its research on quantifying NTMs and to incorporate this research in its statutory investigations. Furthermore, the NTM database has been updated to reflect recent catalogs of NTMs as reported by the United States and other countries. In conjunction with UNCTAD and MAST, the Commission has launched a collaborative (“Wiki”) Web page for NTM research.

STRATEGIC OPERATION NO. 4: Tariff and Trade Information Services

During FY 2010 and 2011, the Commission plans to enhance its performance in providing tariff and trade information services by increasing the utility of various services for its customers and by providing timely and effective nomenclature and other services to Congress and the Administration. Central to this strategic Operation is the publication of the HTS and various types of tariff and trade information which are available on the Commission's Web site. The Commission actively seeks feedback on customer satisfaction, and has established goals and indicators to account for such feedback. External factors affecting performance of this function include legislative changes and customer requests for assistance.

Strategic Goal

The Commission's strategic goal is to improve the availability of and access to high-quality and up-to-date tariff and international trade information and technical expertise to support the executive and legislative branches, the broader trade community, and the public.

Performance and Annual Goals

Performance Goal No. 1: Increase the utility and improve the dissemination of tariff and trade information services to customers.

FY 2010 Annual Goals	FY 2011 Annual Goals
a. Obtain 5 % increase in number of Trade DataWeb and Tariff Database reports provided (TATA).	a. Obtain 5 % increase in number of Trade DataWeb and Tariff Database reports provided (TATA).
b. Achieve 5 % increase in usage over FY 2009 of HTS page of ITC Web site (TATA).	b. Achieve 5 % increase in usage over FY 2010 of HTS page of ITC Web site (TATA).
c. Achieve 2 point improvement over FY 2009 level of positive feedback from users of ITC's tariff and trade Web pages (ITS).	c. Achieve 1 point improvement over FY 2010 level of positive feedback from users of ITC's tariff and trade Web pages (ITS).

Performance Goal No. 2: Provide timely, effective, and responsive nomenclature and related technical services to customers.

FY 2010 Annual Goals	FY 2011 Annual Goals
<p>a. Obtain 95 % positive results on product feedback assessments (TATA).</p> <p>b. Provide timely and accurate responses to all e-mail requests for tariff advice (TATA).</p>	<p>a. Obtain 95 % positive results on product feedback assessments (TATA).</p> <p>b. Provide timely and accurate responses to all e-mail requests for tariff advice (TATA).</p>

Note: In annual goals, the offices shown in parentheses are the staff offices responsible for measurement.

The Commission will employ the following strategies to contribute to the fulfillment of its goals.

1. Effectively allocate and enhance human resources.
2. Continually assess and adapt new technologies and revise business processes as needed.
3. Review programs and procedures in light of changing needs of investigation participants and technological developments.

Performance

During FY 2005, 2006, 2007, 2008, and 2009 the Commission generally met the performance goals of its Performance Plans:

- In FY 2005, the 2005 edition of the HTS and a mid-year supplement were published in hard copy, and the electronic version on the Commission Web site was updated accordingly. Work continued on streamlining the production of the HTS in order to facilitate updating the Dataweb, the Automated Commercial Environment database and other databases employing HTS codes. The Commission Web site was reconfigured to make it simpler to access the HTS, Dataweb and other tariff-related Web pages. The report on Inv. No. 1205-6 (Preliminary), *Proposed Modifications to the Harmonized Tariff Schedule of the United States*, was submitted to USTR. An ITC staff member chaired two separate committees of the WCO and was re-elected to chair the Harmonized System Committee sessions to be held during FY 2006. Commission

representatives led or participated in the U.S. delegations to the WCO, and many U.S. proposals and positions, vetted with U.S. industry and other Government agencies, were accepted by our trading partners. More than 600 miscellaneous tariff bills were introduced in the FY by the 109th Congress, and by the end of the FY, the Commission had approved factual reports on more than 200 of them and forwarded them to the Congress. Communications with USTR, Congressional Committees, and the private sector all indicated positive feedback on the ITC's activities in their behalf during the FY.

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

as they are implemented. Communications with USTR, Congressional Committees and the private sector all revealed positive feedback in the Commission's activities under Strategic Operation No. 4 during the fiscal year.

- In FY 2007, a preliminary version of the 2007 edition of the HTS, effective January 1, 2007, was posted on line to indicate changes in staged duty rates under various free trade agreements. An electronic revision, effective January 5, 2007, was posted to reflect the implementation of several hundred duty suspensions and duty reductions enacted by P.L. 109-432, the Tax Relief and Health Care Act of 2006. Amendments arising from Inv. No. 1205-6 could not be implemented before February 3, 2007, because of the unpredictable nature of the Congressional layover required before such implementation. At that point, the "final basic" version of the 2007 HTS was published in hard copy and posted on line. The usual mid-year supplement was delayed in anticipation of the implementation of the U.S.-Oman Free Trade Agreement. However, that implementation was not proclaimed by the President before the end of the fiscal year; as such, a second electronic revision to the 2007 HTS was posted on the Commission Web site to reflect mid-year GSP amendments and 484(f) Committee changes. TATA staff continued to work with NAFTA partners to update the rules of origin for that agreement. Commission staff led and/or participated in three separate committees of the WCO. One staff member chaired both sessions of the Harmonized System Committee during the fiscal year. During the FY, substantial advancements were made in the proposed re-design of the process for preparing, updating and publishing the HTS in a manner designed to accelerate and streamline the transfer of tariff information from the HTS to the ITC Tariff Database, the ACE database and other external databases employing HTS-based tariff information. Communications with USTR, Congressional Committees and the private sector all revealed positive feedback for the Commission's activities under Strategic Operation No. 4 during the fiscal year.
- In FY 2008, the 2008 edition of the HTS and a mid-year supplement were published in hard copy and made available online. In addition, two electronic revisions were posted to the Web site, and a possible third revision was being contemplated near the end of the fiscal year. There was also substantial progress on the development of an online, interactive HTS reference tool designed for import brokers and Customs officers, but which will be available for public access on the ITC Web site. Further progress was also made on developing a more streamlined approach to updating and preparing the HTS for publication. Both these projects are targeted for full implementation in FY 2009. Commission staff led and/or participated in three separate committees of the WCO. During the latter half of FY 2008, the Commission prepared some 775 reports on miscellaneous tariff bills and forwarded them to the House of Representatives;

as of the end of the fiscal year, the Senate had not yet begun entertaining new bills for the 110th Congress. Staff also assisted in updating rules of origin for existing FTAs (including NAFTA) in order to reflect changes in the international HS, which became effective in 2007. Communications with USTR, Congressional Committees and the private sector all revealed positive feedback in the Commission's activities under Strategic Operation No. 4 during the fiscal year.

- In FY 2009, the Commission accomplished the following—
 - The 2009 edition of the HTS and a mid-year supplement were published in hard copy and made available online. In addition, one electronic revision was posted to the Web site.
 - During the fiscal year, an online, interactive HTS reference tool designed for import brokers and Customs officers was implemented and made available for public access on the ITC Web site. While the reference tool was very well received by our customers, further improvements of the tool are foreseen.
 - Further progress was also made on the possible utilization of the online reference tool directly for updating and printing the HTS on a regular basis; in the long run, this would represent a sea change in the methods historically (and currently) used for maintaining and publishing the HTS, but for the short run, the Commission will work with two parallel systems.
 - Commission staff led and/or participated in the U.S. delegations to three separate committees of the WCO in Brussels, Belgium.
 - Towards the end of FY 2009, the 111th Congress still had not yet taken formal action to assemble miscellaneous tariff legislation for enactment, but the prospect for doing so seemed imminent; in the meantime, the Commission worked behind the scenes with Congressional Committees, as well as with individual Members' offices, both on the 775 bills reported on for the 110th Congress and on proposed new bills for the 111th Congress.
 - Staff also assisted in updating rules of origin for existing FTAs (including NAFTA) in order to reflect the 2007 amendments to the international HS.
 - Staff worked directly with USTR on proposed Presidential proclamations concerning GSP and the proposed revision of additional duties applied on certain goods imported from the EU.

Communications with USTR, Congressional Committees and private sector all revealed positive feedback for the Commission's activities under Strategic Operation No. 4 during the fiscal year.

STRATEGIC OPERATION NO. 5: Trade Policy Support

During FY 2010 and 2011, the Commission plans to improve its performance in the provision of expert knowledge and analysis regarding trade related issues to the Congress and the executive branch. The Commission will work to improve the timeliness, complexity, and scope of support provided to Congress and the Administration, to seek improved feedback from customers, and to deliver new products and services that meet the situational needs of its customers. External factors affecting performance of this function include customer requests for assistance, staffing levels and legislative changes.

Strategic Goal

The Commission's strategic goal is to provide enhanced support to the development of well-informed U.S. international trade policy by quickly responding to executive and legislative branch policymakers' needs for technical support, data, and analysis.

Performance and Annual Goals

Performance Goal No. 1: Provide enhanced real-time, efficient, and effective technical information and analysis to support organizations involved in trade policy formulation.

FY 2010 Annual Goals	FY 2011 Annual Goals
a. Support 87 trade policy issues by ITC analysis (~2 % increase from previous goal) (ID).	a. Support 89 trade policy issues by ITC analysis (~2 % increase from previous year) (ID).
b. Resolve technical issues and implement system to enhance secure delivery of unclassified technical assistance products (ER/ITS).	b. Establish capability and procedures to enhance delivery of classified products (ER/ITS).
c. Analyze information collected by new electronic tracking system to identify potential quality and efficiency improvements (ID).	c. Begin to implement quality and efficiency improvements (ID).

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

Performance Goal No. 2: Improve the Commission’s communications with its customers to ensure that they understand the agency’s capabilities and are able to benefit from its expertise.

FY 2010 Annual Goals	FY 2011 Annual Goals
<p>a. Conduct a briefing program to proactively inform Congressional oversight committee staff regarding ITC capabilities (ER).</p> <p>b. Provide training on briefing skills to at least 30 employees to enhance small group communication with both internal and statutory customers (ID/EC).</p>	<p>a. Evaluate scope of briefing program to identify and enact enhancements (ER).</p> <p>b. Provide training on briefing skills to an additional 20 employees to enhance small group communication with both internal and statutory customers (ID/EC).</p>

Note: In annual goals, the offices shown in parentheses are the staff offices responsible for measurement.

Performance

During FY 2005, 2006, 2007, 2008, and 2009, the Commission generally met the performance goals of its Performance Plans:

- In FY 2005, there was a significant increase in the number of trade policy issue areas for which the executive branch and congressional committees sought support from the Commission. In FY 2005, staff regularly sought targeted feedback from customers; staff was able to conduct briefing/feedback meetings with USTR in connection with most studies. Feedback was overwhelmingly positive from both USTR and Congress, with some suggestions of how lessons learned in successful studies could be applied in the future. The primary means of feedback from Congress was by telephone and e-mail, and was more product-specific. Hill staff in particular expressed appreciation for timely and quick-turnaround responses.
- In FY 2006, the Commission demonstrated its wide ranging expertise by responding to requests from congressional oversight committees and USTR which involved well over 100 discrete trade, legal, or competitiveness issues. Efforts to better serve these primary customers resulted in more timely analysis, as staff sought opportunities to provide information using streamlined procedures that minimize bureaucratic steps. These improvements were shaped by staff initiatives to seek timely product-specific feedback from customers. The Commission also dedicated staff to focusing on areas USTR identified as having significant ongoing need, including the Generalized System of Preferences, negotiation support in the Services and

Non-Agricultural Market Access sectors, and trade capacity building. The Commission also significantly increased its commitment of resources to aid USTR's litigation requirements in international fora.

- In FY 2007, agency staff continued to respond to requests from USTR and the Commission's congressional oversight committees for information to support decision-making on a wide variety of trade policy issues. Despite declining staffing levels during the year in the offices primarily responsible for OP 5 activities, the Commission again responded with information on over 100 different trade issues. Efforts to provide more substantive pre-decisional products through this strategic Operation led to the development of complex work products examining issues such as post-FTA shifts in trade, the historical and projected impact of preferential duty programs, trade in environmental goods and services, and market access concerns. A pilot program to develop an electronic repository for trade negotiation documents was demonstrated to USTR staff. Based on their interest, a second phase of the pilot, involving NAFTA documentation, was initiated to develop a broader basis for USTR to evaluate the system's usefulness and their long term interest in the effort. The Commission continued to provide dedicated personnel to support USTR and the oversight committees, balancing the contributions in this strategic Operation with competing demands brought on by high levels of work in other strategic Operations, especially Strategic Operation No. 3.
- In FY 2008, Strategic Operation No. 5 work again included both more complex products and more limited, quick turnaround products. Some of these more complex products involved follow-on work associated with reports delivered pursuant to statutory requests under Strategic Operation No. 3, such as additional information on Chinese trade policies, detailed information on the performance of the GSP program, ongoing activities concerning the U.S./Peru FTA and several other potential trade agreements including the ongoing Doha Round negotiations. In addition, staff provided information on the European Union/Sub-Saharan Africa Partnership Agreements, information to support deliberations on the New Partnership for Development Act, information on state-level employment effects of the proposed U.S./Colombia FTA, and simulation modeling to support USTR trade negotiators. The Commission continued to provide dedicated personnel to support USTR and Congress, but high workloads in other strategic Operations limited this type of activity. In order to more efficiently and effectively address requests, the Commission formed a small cross-office team to coordinate Strategic Operation No. 5 activities.

- In FY 2009, the Commission provided significant assistance to support notification requirements for various multi-national organizations, addressing a variety of programs and products. Assistance to support the analysis of policy actions taken, or contemplated, by trading partners addressed both collaborative and retaliatory efforts, including tariff preference programs, retaliatory tariff scenarios, and the impact of changes in regulatory frameworks. In some cases, this assistance included economic modeling to provide quantitative estimates, at national or state levels, on which to base policy decisions. Significant resources were dedicated to supporting decision makers responsible for guiding the policies governing the U.S. Generalized System of Preferences. Comparative analysis of rules-of-origin contained in numerous trade agreements, for a variety of electronic and chemical products, also required significant resources.