

United States International Trade Commission ART Briefing Materials

Introduction

The United States International Trade Commission (USITC or Commission) is an independent, multi-partisan agency composed of six Commissioners appointed by the President and confirmed by the Senate. No more than three Commissioners may be of the same political Party. Each fixed Commissioner term is nine years. A Commissioner may continue to serve after the expiration of a fixed term until a successor is appointed and qualified; the newly qualified Commissioner serves the remainder of the nine year term. A person who has served five (5) or more years of a fixed nine year term is not eligible for reappointment.

The current Commissioners of the USITC, and the expiration dates of their terms, are:

Irving A. Williamson, Chairman (Democrat)	June 16, 2014
David S. Johanson, Vice Chairman (Republican)	December 16, 2018
Dean A. Pinkert (Democrat)	December 16, 2015
Meredith M. Broadbent (Republican)	June 16, 2017
F. Scott Kieff (Republican)	June 16, 2020
Rhonda K. Schmidlein (Democrat)	December 16, 2021

The Chairman and Vice Chairman are designated by the President for two year terms from among Commissioners who have served at least one year. The Chairman must be of a different political Party than the predecessor Chairman; the Vice Chairman must be of a different political Party than the newly-designated Chairman. If the President does not designate a Chairman, the senior Commissioner of a Party different than the predecessor Chairman serves as Chairman until the President makes a designation.

Since June 17, 2016, Irving Williamson has been serving as Chairman by operation of law because the President did not designate a Chairman at the end of the prior Chairman's term on June 16, 2016. On August 11, 2016, President Obama designated David Johanson as Vice Chairman for the term ending June 16, 2018.

The six Commissioners are the only "Advise and Consent" employees of the USITC, and their personal staffs of four to five employees each are the only other Schedule C employees of the USITC.

The Senior Staff are Career SES employees and all other Commission employees are civil service personnel.

Mission

Consistent with its statutory mandate, the Commission makes determinations in proceedings involving imports claimed to injure a domestic industry or violate U.S. intellectual property rights; provides independent tariff, trade and competitiveness-related analysis and information; and maintains the U.S. tariff schedule.

Vision

The Commission independently and objectively investigates unfair trade complaints by impartially administering relevant trade laws and providing succinct, analytically sound and legally correct decisions. The Commission enables informed policy decisions by Executive and Congressional customers by providing them with accurate, timely, and insightful information and objective analysis of the evolving range of international trade matters through adaptive interdisciplinary industry, economic, legal, nomenclature, and regional expertise, utilizing enhanced skills and tools.

Strategic Goals

Strategic Goal 1: Investigate and Decide: Produce Sound, Objective, and Timely Determinations in Investigative Proceedings

Given the importance of international trade to the U.S. economy, the Commission's determinations in its investigative proceedings regarding imports can have significant impacts on competitive conditions, profitability, and employment in affected U.S. industries. The investigations also often involve products that are critical to U.S. productivity, innovation, and competitiveness. The investigations generally are requested by private sector entities operating in

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the United States and businesses may make important decisions as a result of Commission determinations.

The Commission is responsible for administering and applying U.S. laws concerning subsidized and dumped imports that injure a domestic industry; surges of fairly traded imports that injure a domestic industry, and imports that infringe a domestic intellectual property right or otherwise unfairly injure a domestic industry. U.S. laws, court decisions, and U.S. international obligations require the Commission to reach its determinations based on transparent procedures and a well-developed record. The Commission, and Administrative Law Judges in unfair import investigations under section 337 (which are most often intellectual property-based) must consistently engage in thorough investigation and sound fact-finding. The record in each investigation must be examined in an objectively unbiased manner, and the resulting determinations must be well-reasoned, timely, and consistent with the law. The Commission is challenged in these efforts by the increasing complexity of its investigations, the variable and increased case load, and resource constraints.

Timeliness is an important requirement in the Commission's investigations. Import injury investigations operate on statutorily defined timetables with deadlines for determinations that the Commission must meet. Moreover, Congress has directed that section 337 investigations be resolved "at the earliest practicable time after the date of publication of the notice of such investigation." The Commission must balance the competing goals of timeliness, due process, and sound determinations.

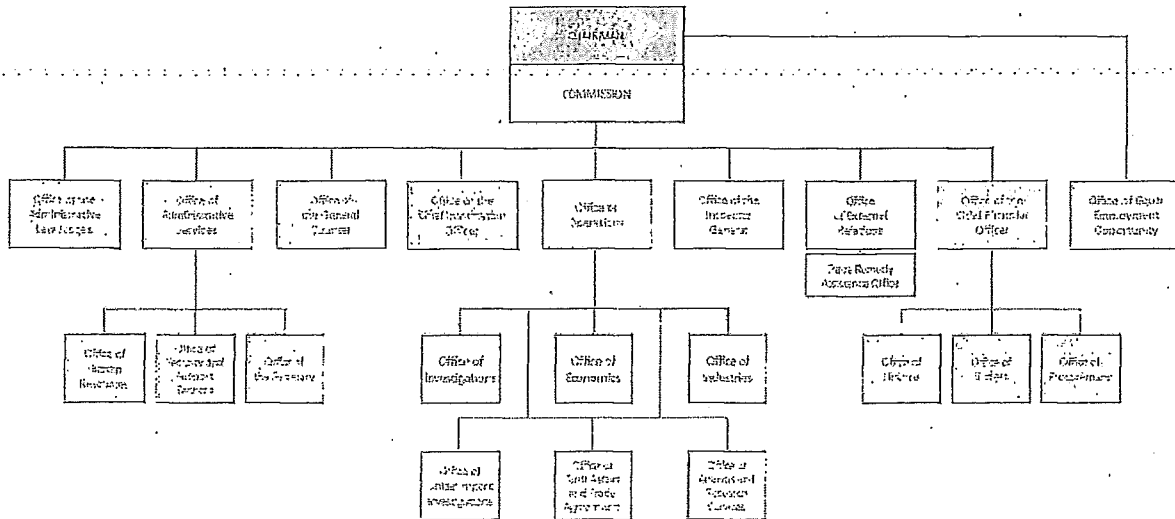
Strategic Goal 2: Inform: Produce Objective, High-Quality, and Responsive Tariff, Trade, and Competitiveness-Related Analysis and Information

Policymakers require high quality information to evaluate complex trade-offs between competing policy goals and to inform and support decision-making. To fulfill its mission, the Commission must independently provide the highest caliber of information and analysis to U.S. policymakers in a timely manner to assist them when they are securing benefits to the United States in trade negotiations and when they enact legislation or take other policy actions that affect the U.S. economy and industry competitiveness.

The Commission has numerous statutory responsibilities to provide advice, analysis, data and other information, and reports to the Congress, the President and USTR. In response to U.S. policymakers' requests, the Commission and its staff provide objective independent information and analysis on numerous topics, both through formal investigations and informal expert advice. The Commission's unique capability to collect, develop, and synthesize primary information and provide multidisciplinary analysis supports the development of well-informed trade policy. To ensure the development and maintenance of requisite technical expertise to fulfill its statutory requirements, the Commission also identifies priority research areas related to international trade, industry competitiveness, and the U.S. and global economies.

The Commission publishes and maintains the Harmonized Tariff Schedule of the United States (HTS), which serves as the basis for the collection of customs duties, the compilation of trade data, and the formulation of many trade actions. The Commission plays a significant role in the development of the international nomenclature for goods in trade and in drafting classification provisions at the national level. The Commission also guides the development of the statistical categories used to monitor trade. As a whole, the HTS is vital to U.S. businesses, government agencies, and others involved in trade that depend upon accurate, current tariff rates and useful trade data.

Organizational Chart



Budget

Highlights

For FY-2017, the Commission requested \$92.9 million to carry out its statutorily mandated functions. The FY2017 request represents a \$4.0 million, or 4.5 percent, increase over the FY2016 budget of \$88.8 million. The request is driven by the need to make essential investments in human capital; economic research, and information technology (IT); cybersecurity; and infrastructure. The agency's human capital strategy for FY2017 focuses on keeping staffing at the levels needed to perform the agency's statutory mission, given the challenges of high caseloads, several major ongoing trade negotiations to support, new requirements set forth in the 2015 Trade Priorities and Accountability Act, and new requirements set forth in the American Manufacturing Competitiveness Act of 2016.

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

(Dollar Amounts in Thousands)

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

Human Capital Overview

Current Permanent and Term Staffing Plan with Onboard and Gaps

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

*The Commission regularly evaluates its workload and aligns resources to meet emergent needs. In the short term, the Commission may approve requests for staffing that exceed office allocations to meet workload challenges. If those workload challenges persist, the Commission may make the adjustment permanent by shifting positions, subject to the total staffing constraint of 419 permanent and term positions.

Key Issues

The USITC is an independent agency. However, unlike other agencies within the Executive Branch, it neither makes nor implements policy decisions of the Administration.

While the USITC faces challenges in performing its statutorily required tasks, none of those tasks require immediate action by the Administration.

Among the Commission's challenges are:

- 1) Processing petitions for duty suspensions and reductions under the American Manufacturing Competitiveness Act of 2016, Public Law 114-159, 130 Stat. 396 (19 U.S.C. 1332 note).
- 2) Adjudication of a substantial number of cases under Section 337 of the Tariff Act of 1930, 19 U.S.C. 1337. Any affirmative determinations are referred to the Office of the United States Trade Representative for review for "policy reasons".
- 3) Adjudication of the injury phases of a substantial number of antidumping and countervailing duty petitions.