



United States International Trade Commission

Budget Justification

Fiscal Year 2021



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Alphabetical Listing of Abbreviations

Acronym	Description	Acronym	Description
AD	antidumping	HSPD-12	Homeland Security Presidential Directive 12
ALJ	administrative law judge	HTS	Harmonized Tariff Schedule of the United States
AMCA	American Manufacturing Competitiveness Act of 2016	IP	intellectual property
CBP	U.S. Customs and Border Protection	IT	information technology
CDM	continuous diagnostics and mitigation	MTB	miscellaneous tariff bill
CVD	countervailing duty	MTBPS	Miscellaneous Tariff Bill Petition System
DHS	Department of Homeland Security	NAFTA	North American Free Trade Agreement
DLP	data loss prevention	OIG	Office of Inspector General
DMS	data management system	OMB	Office of Management and Budget
EDIS	Electronic Document Information System	SCA	security controls assessment
ERM	enterprise risk management	USITC	U.S. International Trade Commission
FY	fiscal year	WCO	World Customs Organization
GAO	Government Accountability Office	WTO	World Trade Organization

Introduction

Mission

The mission of the U.S. International Trade Commission (USITC or Commission) is to investigate and make determinations in proceedings involving imports claimed to injure a domestic industry or violate U.S. intellectual property (IP) rights; provide independent analysis and information on tariffs, trade, and competitiveness; and maintain the U.S. tariff schedule.

Responsibilities and Goals

The Commission is an independent, quasi-judicial federal agency with specific responsibilities in the adjudication and enforcement of certain U.S. trade laws; in providing independent, objective, and timely analysis of trade and competitiveness issues to Congress and the Administration; and in maintaining the Harmonized Tariff Schedule of the United States (HTS). The investigations that we conduct to carry out these responsibilities are guided by two strategic goals:

Our first strategic goal: Produce sound, objective, and timely determinations in trade remedy proceedings. These investigations fall into two major classes:

- **Antidumping and countervailing duty (AD/CVD) investigations and reviews**, which are conducted under Title VII of the Tariff Act of 1930, and **global safeguard investigations**, which are conducted under section 201 of the Trade Act of 1974.
- **Investigations into unfair practices in import trade**, usually based on violations of IP rights, which are conducted under section 337 of the Tariff Act of 1930.

In AD/CVD investigations, we determine whether certain imports that are alleged to be dumped or subsidized are causing, or threatening to cause, material injury to a U.S. industry. If we find actual or threatened injury, and the U.S. Department of Commerce (Commerce) also finds that those imports are being dumped or subsidized, Commerce orders the imposition of extra duties on these imports—antidumping duties that offset the dumping or countervailing duties that offset subsidies.

We also review existing antidumping and countervailing duty orders every five years. Within these “sunset” reviews, we determine whether an order can be revoked without resulting in continued or recurrent injury to a domestic industry. If Commerce or the Commission determines that revocation is appropriate, Commerce will revoke the order.

We also have sole responsibility to conduct investigations under section 201 of the Trade Act of 1974. If we determine that an imported article is being imported into the United States in such increased quantities as to be a substantial cause of serious injury, or threat of serious injury, to the domestic industry producing an article like or directly competitive with the imported article, we recommend one or more remedies to the President. The President makes the final decision on whether to provide a remedy to the U.S. industry, and the type and duration of any such remedy.

Section 337 investigations examine unfair practices in import trade. Most often, we investigate and rule on allegations that imported goods infringe the rights of a U.S. IP rights holder. If a violation is found, we issue remedial relief, provided that the public interest does not preclude the issuance of such relief. Relief takes the form of exclusion orders, which bar entry of unfairly traded imports, or “cease and desist” orders prohibiting unfair acts in the United States.

We typically initiate trade remedy proceedings in response to complaints and petitions filed by domestic industries seeking protection from unfairly traded imports. Given the rapid evolution of trade in the U.S. and world economies, this work is important in several ways:

- Our investigations of unfair trade practices help U.S. firms compete more effectively in an integrated global marketplace.
- Our issuance of sound and timely decisions in import injury investigations helps ensure that U.S. companies and workers can compete on a fairer and more level playing field in the domestic market.
- Our timely resolution of complex IP disputes is economically critical to holders of U.S. IP rights, especially where innovation drives rapid technology change.

In enforcing U.S. trade laws, we conduct our investigations under the pertinent statutes, regulations, and case law as interpreted by the federal courts. Our determinations in both Title VII and section 337 investigations are subject to review by U.S. courts.

Our second strategic goal: Provide independent, objective, and timely analysis and information on tariffs, trade, and competitiveness. By law, whenever requested, we must present the President, the U.S. Trade Representative, the Senate Committee on Finance, and the House Committee on Ways and Means with information and analysis on any matter related to international trade and industry competitiveness. Policy makers use our analyses to help inform decisions on trade policy and international trade negotiations.

Our staff of trade experts enables us to offer our requestors leading-edge insights that inform the development of sound U.S. trade policy. In our industry and economic reports, we examine, analyze, and estimate two subjects in particular:

- The many ways that changes in trade and competitiveness affect the U.S. economy and U.S. workers.
- The effects of policy changes (past or proposed) on producers, consumers, employment, wages, and the U.S. economy as a whole.

Although most requests for both analytic investigations and informal assistance come to us from the Senate Committee on Finance, the House Committee on Ways and Means, and the U.S. Trade Representative, some of our investigations are required by statute or are self-initiated. Our requestors recognize that, as a result of our economic and trade expertise, we can generate primary data, analyze specific industries, and provide insights unavailable elsewhere. To improve our analyses, we also regularly develop new tools, such as our economic models that measure the effects of trade on specific U.S. industries and on U.S. companies operating abroad.

In fiscal year (FY) 2019, we responded to a number of requests that required us to develop new information and analysis on a variety of topics. For example, we issued reports on the likely impact of the U.S.-Mexico-Canada Agreement (USMCA) on the U.S. economy and industries. We examined barriers faced by U.S. small- and medium-enterprise exporters to the United Kingdom, the economic effects of duty reductions and suspensions of the Miscellaneous Tariff Bill Act of 2018, and modifications to tariff treatment for textiles and apparel under the U.S.-Korea Free Trade Agreement. We also provided probable economic effects advice on potential U.S. free trade agreements with Japan, the European Union, and the United Kingdom. In preparation for potential future requests, we updated our models to better estimate the effects of policies affecting U.S. workers and firms. Significant advances were made in understanding the effects of trade agreements on trade policy uncertainty, on services trade, and on sales by U.S. affiliates abroad.

As a vital part of our second goal, we maintain and analyze the Harmonized Tariff Schedule of the United States. The HTS is the official document that sets out the classifications of imported goods and the U.S. tariffs that apply to each category. We make sure that the tariff schedule is up to date and accurate by reflecting all of the trade agreements and programs that the U.S. has implemented. As a result of a number of Administration trade policy initiatives, in FY 2018, we issued 13 supplemental revisions to the annual Basic Edition of the HTS, compared to only two revised versions of the annual edition in FY 2017. In FY 2019 we published the annual Basic Edition and 14 revisions. In the first quarter of FY 2020, we have prepared and published seven revisions of the HTS as well as the annual Basic Edition for January 1, 2020. Maintaining an accurate HTS in a period of rapid change serves the tariff and trade information needs of U.S. exporters and importers, U.S. Customs and Border Protection staff, and decision makers in Congress and the executive branch. To further U.S. competitiveness, we work to ensure that changes in the international Harmonized System for goods classification, which is administered by the World Customs Organization, reflect the interests of U.S. companies.

In 2016, the American Manufacturing Competitiveness Act (AMCA), 19 U.S.C. § 1332 note, introduced a new process for the consideration of miscellaneous tariff bills, under which the Commission is responsible for receiving and processing petitions for the temporary suspension or reduction of duties on specific products as well as comments on these petitions. U.S. firms typically seek this temporary relief for imported materials when the materials are not available from domestic manufacturers. The AMCA mandated two petition cycles. During the 2016 cycle, we received about 3,200 petitions and 2,500 comments on those petitions. We produced preliminary and final reports on those petitions for the Senate Committee on Finance and the House Committee on Ways and Means, in which the Commission determined that 1,686 products were eligible for inclusion in a miscellaneous tariff bill. The second petition submission period began on October 11, 2019, and ended on December 10, 2019. We received nearly 4,100 petitions, which reflects an increase of more than 900 petitions (nearly 30 percent) over the 2016 cycle. We will deliver preliminary and final reports to the Senate Committee on Finance and the House Committee on Ways and Means in June and August of 2020, respectively.

To meet our mission, we maintain the staff, analytical tools, and other resources needed to conduct fair and efficient investigations, as well as provide high-quality and objective information and analysis on a wide array of issues. We continue to invest in the development of highly skilled analysts, economists, and attorneys; create new databases and data systems; collaborate with other organizations to enhance our own research; and acquire or upgrade advanced analytic tools.

Our management goal: Efficiently and effectively advance the agency's mission.

The first management objective that relates to efficient and effective operations is to attract and develop a skilled, diverse, and flexible workforce, which is essential to meeting the varying workload and new mission requirements. For example, we successfully fulfilled the AMCA requirements due, in part, to our capacity for flexible staffing. Our ability not only to attract, but also to retain, a high-quality workforce is reflected in our Federal Employee Viewpoint Survey scores in global satisfaction and employee engagement, as well as in responses to questions about hiring practices and career development. We have consistently met or exceeded our performance goals for those indices during the last several years. In 2019, Commission employees again expressed their overall satisfaction and high engagement. We were rated #1 Best Place to Work by the Partnership for Public Service, achieving the highest Employee Engagement score among federal agencies of any size at 85.7 percent. Our Office of Operations was ranked the #3 Best Place to Work among 420 agency subcomponents of any size, up from #9 last year, with an Employee Engagement Score of 88.1 percent. Among agencies with at least 100 employees, we had the highest response rate at 94 percent.

Our second management objective is to ensure good stewardship of taxpayer funds. To achieve this objective, we:

- Ensure that our financial management reports are timely and provide data that enable our managers to manage efficiently and effectively.
- Ensure that our contract award processes and contract files meet the needs of customers in a timely way, and that the files are accurate and complete.
- Ensure that financial controls are documented, implemented, reviewed, and refined on a regular basis to maintain an annual unmodified audit opinion.

During FY 2019, the Office of the Chief Financial Officer continued a robust budget formulation process that directly ties resource requests to projected workload and specific outcomes. The Director of Procurement continued to review the timeliness of contract activity and achieved real-time reporting of the status of procurement actions. Finally, the Director of Finance regularly reviewed the agency's accounting processes each quarter to ensure that key financial controls were identified and were functioning as documented. These financial process and control evaluations supported the achievement of our ninth consecutive unmodified financial audit opinion during FY 2019.

Our third management objective is to identify, deliver, and secure reliable enterprise information systems. In recent years, we have made tangible progress toward meeting our information technology (IT) management objective, which aims to ensure that IT resources support our mission. Our IT performance goals for FYs 2020 and 2021 quantify how the Office of the Chief Information Officer (OCIO) intends to support this objective. The Chief Information Officer, as the leader for this management objective, will also ensure that critical IT systems are continuously available at a high level so that we can conduct our operations with little to no loss of efficiency and capability. Additionally, the OCIO will continue to ensure our IT security by complying with federal cybersecurity priorities.

In particular, we will address government-wide priorities and initiatives, including:

- Ensuring that all of our systems have a valid Authority to Operate.
- Implementing and verifying security configuration baselines for 100 percent of servers and workstations.
- Retiring legacy hardware.
- Consolidating resources utilizing virtualization.
- Migrating appropriate applications and services to a cloud-based architecture.

Our fourth management objective is to increase our operational effectiveness by evaluating and improving processes and communication.

Operational effectiveness means that we are continually improving functional performance. To accomplish this, managers lead and control the functional activities within the agency, and they continually measure and improve the processes for which they are responsible.

Examples of our continuing efforts in this area include:

- Implementing a system of internal rules.
- Building empirical sources of administrative and investigative data that provide for consistent and accurate reporting.
- Continuously improving our web presence, including use of evolving technologies that benefit our customers and improve user satisfaction.

- Continuing the use of Enterprise Risk Management to pinpoint risks and establish priorities to inform decision makers.
- Investing in and modernizing our IT infrastructure and management systems.

Detailed performance goals for program and management activities are presented in our *Annual Performance Plan, FY 2020–2021*, and *Annual Performance Report, FY 2019*, which can be found at https://www.usitc.gov/strategic_plan.htm.

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Budget Highlights

For FY 2021, the Commission requests \$105.0 million to carry out our statutorily mandated functions. This funding will sustain the personnel and non-personnel investments that we made in FYs 2018 and 2019 and plan to make in FY 2020 to manage continued high investigative caseloads, numerous revisions to the Harmonized Tariff Schedule and tariff rate changes, and modernization of our IT infrastructure.

Our request reflects the resources required to maintain increases to current staffing levels in the Office of Operations and the Office of the General Counsel, which are heavily impacted by high investigative caseloads. It also provides resources for critical non-personnel requirements that have been deferred to fund human capital investments. Further, it seeks to support several projects to maintain and upgrade our IT systems and infrastructure—for example, continued migration of various services and applications to the cloud. Leveraging cloud resources provides optimal availability and performance, offers better continuity of operations in the event of a catastrophe, improves reliability, and secures the highest long-term value for our users and the American taxpayer. Our request also aims to sustain capabilities in both research and economic analysis so we can better investigate proposed changes in trade policy, as well as important developments in U.S. competitiveness.

American Manufacturing Competitiveness Act of 2016

The American Manufacturing Competitiveness Act of 2016 (AMCA), 19 U.S.C. § 1332 note, enacted in May 2016, directed the Commission to conduct two petition cycles for the consideration of miscellaneous tariff bills (MTBs), in which potential beneficiaries file petitions for duty suspensions or reductions directly with the Commission. We successfully completed the first cycle on August 8, 2017, delivering a final MTB report that determined 1,686 products were eligible for inclusion in the omnibus MTB legislation. The Miscellaneous Tariff Bill Act of 2018, P. Law. No. 115-239, was enacted on September 13, 2018. The tariff reductions and eliminations under the Miscellaneous Tariff Bill Act of 2018 became effective on October 13, 2018, and will expire on December 31, 2020.

The second MTB petition cycle began on October 11, 2019. We received nearly 4,100 petitions, which reflects an increase of more than 900 petitions (nearly 30 percent) over the 2016 cycle. In FY 2019, we funded improvements to the Miscellaneous Tariff Bill

Petition System (MTBPS), hired temporary staff for the MTB process, and trained a larger number of existing permanent staff to manage the increase in petitions that we projected for the second cycle. Our FY 2020 appropriation reflects the resources needed to fully staff the process and to keep the MTBPS secure and available to staff and the public, so that we can meet our statutory mandate and deliver a final MTB report to the Senate Committee on Finance and the House Committee on Ways and Means in August 2020.

Additional Workload Drivers

In addition to the continued heavy workload in antidumping/countervailing duty (AD/CVD) and unfair import investigations described below, we have been devoting additional resources to conducting or supporting other investigations and Administration initiatives. For example, following the two global safeguard investigations initiated in 2017 under sections 201–204 of the Trade Act of 1974, we instituted two section 204 midpoint monitoring investigations. We completed one and will complete the second investigation in early February 2020.

We have also had to amend the Harmonized Tariff Schedule of the United States (HTS) a number of times in recent years to incorporate the changes brought about by Administration initiatives. In a typical year, two or three HTS revisions are made; in FYs 2018 and 2019, 13 and 14 revisions were made, respectively. One Administration initiative that drove the increase in HTS revisions was the U.S. Trade Representative’s investigation of acts, policies, and practices by the government of China under section 301 of the 1974 Trade Act. The other initiatives were the Department of Commerce’s two investigations (on steel and then aluminum) under the national security provisions of section 232 of the Trade Expansion Act of 1962.

Program Overview

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

The Commission provides a venue for private sector firms and other qualifying entities to bring allegations of certain unfair or injurious trade practices involving imports before an independent, objective, and expert quasi-judicial governmental body. Our trade

remedy investigations caseload continues to grow in volume and complexity. In FY 2019, the number of AD/CVD investigations was consistent with the record levels seen in recent fiscal years, and the caseload is expected to stay at comparable levels in FYs 2020 and 2021. In FY 2016, new unfair import matters under section 337 exceeded the previous peak in FY 2011; this caseload remained high in FYs 2017, 2018, and 2019 and we expect it to remain high in FYs 2020 and 2021.

AD/CVD Caseload Maintains High Levels

In FY 2019, 15 petitions were filed under Title VII of the Tariff Act of 1930, a decline from the prior fiscal year. In light of the government shutdown, however, this level of new petitions is consistent with the monthly averages of recent years. These new filings, combined with ongoing investigations and reviews, resulted in 59 proceedings instituted and 60 completed, continuing the trend of high levels of active investigations in recent fiscal years. That trend is expected to continue in FY 2020: we anticipate instituting 62 proceedings and completing 64. In FY 2019, more than half of the petitions involved imports from multiple countries (as many as six), with China being listed in 8 of the 15 petitions. Domestic industries filing petitions in FY 2019 produced a range of products, including various steel and metal products; chemicals and textiles; processed agricultural products; and final consumer products. While a substantial number of these investigations covered steel products, final consumer goods represented the next largest share. Some investigations were particularly notable because of the large volumes of trade or complexity of the market, including utility scale wind towers (Canada, Indonesia, Korea, and Vietnam), quartz surface products (India and Turkey), fabricated structural steel (Canada, China, and Mexico), and wooden cabinets and vanities (China). In addition to new investigations, we instituted 22 reviews of existing trade remedy orders (i.e., AD/CVD duty orders). Because existing orders are reviewed every five years, the recent increases in new investigations add to the number of reviews going forward, increasing future caseload. As a result of the two global safeguard investigations that were initiated in FY 2017, and subsequent remedy provided by the President, in FY 2019 we initiated two midpoint monitoring investigations, completing one (residential washers) this fiscal year.

During FY 2019, we continued our ongoing efforts to increase transparency and reduce the burden on participating parties and our staff. We issued a survey to external stakeholders to learn their views regarding the benefits, challenges, and key features of potential web- or extraction-enabled information and data-collection vehicles. We will apply this information to ongoing efforts to leverage technology to improve processes and procedures. In FY 2020, we plan to continue developing a data system for more complete, timely, and accessible reporting of investigative information, including Title VII information.

Unfair Import Investigations Caseload Remains High

In FY 2019, our section 337 workload remained at elevated levels and is expected to increase in FY 2020. Parties continue to find that our proceedings offer an attractive forum for resolving disputes involving unfair acts in the importation of goods, including imports that allegedly infringe U.S. intellectual property rights. Our proceedings provide for timely resolution of matters that may involve more drawn-out litigation in the U.S. district courts. In addition, section 337 authorizes unique relief in the form of exclusion of goods at the border. IP-intensive industries account for a large number of high-wage jobs in U.S. industries that generate significant exports. The range of technologies covered in these investigations is quite broad, encompassing, among other things, various electronic devices, pharmaceutical and medical devices, transportation-related products, and consumer goods such as magnetic storage tapes, LED lighting, height adjustable desks, baby carriers, intraoral scanners, food service equipment, luxury vinyl tile, printer cartridges, and fashion dresses. Although section 337 investigations typically involve patent infringement allegations, they can also involve allegations of other unfair acts such as trade secret misappropriation, which is an area of heightened concern for U.S. companies, the Administration, and Congress.

Work is ongoing to ensure that section 337 investigations are completed expeditiously, in line with congressional intent. We continue to build and develop the necessary staff and courtroom resources to handle the section 337 workload and focus on making the process more efficient and less costly for both litigants and the agency. Our efforts include improvements to our rules of procedure, procedural pilot programs, and substantial investments over the past few years in our Electronic Document Information System (EDIS). Further, in FYs 2020–2021, we plan to implement electronic service of documents in EDIS. We also plan to improve our search application, 337Info, which provides more detailed information to the public about investigations instituted since October 1, 2008. 337Info offers information on scheduling, staffing, parties, and counsel for all of these investigations. 337Info also includes information regarding the unfair acts alleged, disposition with respect to each party, and appeals.

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

Analysis and Information on Tariffs, Trade, and Competitiveness

Our agency supplies the executive branch and Congress with objective analyses of significant trade issues of the day. We provide industry and economic research, tariff and trade information, and trade policy support through formal investigations and informal expert advice. Given our unique economic and trade expertise, we offer leading-edge data and insights that support the development of sound U.S. trade policy. Industry and economic analysis investigation caseload was at a high level in FY 2019 and is expected to remain high in FY 2020.

We also maintain and update the Harmonized Tariff Schedule of the United States. U.S. Customs and Border Protection (CBP) relies upon the HTS for collecting tariff revenues on imported goods. Private firms use the HTS to learn the duties that they will pay on imported goods. U.S. exporters and importers depend on our work in the World Customs Organization that aims to ensure that global tariff product classification (“nomenclature”) is up to date and takes into account industry interests and changing patterns of trade. During FY 2018, we revised the HTS 13 times after issuing the 2018 Basic Edition, compared to two or three revisions in a typical year. In FY 2019 we published the annual Basic Edition and 14 revisions. In the first quarter of FY 2020, we have prepared and published seven revisions of the HTS, as well as the annual Basic Edition for January 1, 2020. These revisions were made to incorporate tariff rate changes implemented during the year due to tariff increases on steel and aluminum for national security, for safeguard actions on solar panels and large residential washers, and on thousands of products to address issues with China.

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

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

Our staff also develops new methods or approaches to produce high-quality economic analysis. For example, in estimating the economic effects of proposed trade agreements, we have found it increasingly important to account for nontariff issues and concessions. Assessing the impact of such changes is considerably more challenging than examining the effects of tariff concessions. During FY 2019, we applied new modeling and survey research approaches to assess the global competitiveness of U.S. businesses supplying business-to-business digital products and services. We continue to develop new capabilities by collaborating with other

organizations, including academic institutions. During FY 2020 and 2021, we plan to focus our research on areas such as improving our ability to model the effects of trade policy uncertainty; assessing industry competitiveness; examining the effects of trade and trade policy on U.S. workers; and analyzing supply chains.

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

- The performance of U.S. companies in global and regional value chains.
- How trade and investment barriers, rules of origin, and standards affect U.S. firms, workers, and consumers.
- The promises—and pitfalls—of new technologies, industries, and business models.
- Benefits and damages to U.S. affiliates abroad from certain policies and regulations of the countries in which they are located.
- Economic analysis of proposed and completed U.S. free trade agreements, as well as technical support to policy makers during trade negotiations.

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

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

The HTS provides the foundation for the U.S. trade data maintained by the U.S. Census Bureau (Census), and it enables CBP to manage its trade and enforcement activities. We ensure that the HTS is both accurate and up to date so that it meets the demands for trade and tariff information from Census, CBP, U.S. exporters and importers, the Administration, and policy makers in Congress. Due to the size and openness of the U.S. economy and the volume of U.S. trade, the HTS is the most heavily used tariff schedule in the world. Its more than 10,700 tariff lines must be updated and maintained throughout the year to reflect changes from implementing trade agreements and from other congressional and administration actions. Redesigned in FY 2013, this system was developed as an electronic database in FY 2014, and it was made available to the public at the beginning of the fourth quarter of FY 2015. In FY 2018, we completed the redesign of DataWeb, the trade data system that we use both for our own work and that we

provide to the public. We deployed a beta version of the redesigned DataWeb in FY 2018, and we released the final version in the first quarter of FY 2019.

As these developments show, we have taken advantage of new technologies to make tariff and trade information far more accessible and usable, both for our own analyses and for many essential public uses. Maintaining and building on these improvements requires resources. Our appropriation request includes funding to address these issues. The skills needed to support many of these tariff and trade information services (e.g., HTS maintenance and classification) are unique and can take years to develop. Moreover, many of the agency experts that we rely on for tariff and trade information services are approaching retirement eligibility, so we expect human capital planning and recruitment to be a priority over the next few years.

Trade Policy Support Remains of Interest but Could Face Resource Constraints

We draw heavily on staff in all agency program areas to respond to informal quick-turnaround requests for trade policy support from Congress and the Administration. In FY 2019, we supplied rapid responses on a broad array of issues and topics, ranging from litigation support in international tribunals to assessments of specific industry and economic issues. Our staff often provides trade policy support to negotiators working on proposed trade agreements or adjustments to existing agreements. We supply information, expertise, and software-based tools to support U.S. negotiating teams.

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

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

Efforts to Strengthen Information Technology Security

We continue to demonstrate our commitment to improving our IT security by timely complying with and implementing mandates, directives, and best business practices pertaining to IT security. We continue to expand and improve on our solution to data exfiltration (i.e., unauthorized data copying), as well as part of our new data loss prevention program, by adding software to prevent the inadvertent release of personally identifiable information (PII) via email and web postings.

In FY 2020, we will continue to strengthen our IT security posture by investing in new technologies, processes, and capabilities to meet the requirements of the Federal Information Security Modernization Act of 2014. Planned improvements include the following:

- Expanding our information security continuous monitoring efforts to monitor our network security by implementing new software and increasing licensing for existing monitoring software to improve the depth and breadth of security scanning across the enterprise.
- Coordinating with the Department of Homeland Security to conduct external assessments and scans of agency systems.
- Continuing independent assessments of our security and privacy controls systems to ensure that security controls are applied correctly, operating as intended, and producing the desired outcome for security requirements.
- Ensuring timely detection and reporting of cyber incidents.

Remote and Cloud Computing

We plan to augment further our disaster recovery capacity and telework capability in FY 2021 by maintaining a modernized remote access solution; adding additional network capacity and redundancy; and ensuring improved levels of availability and accessibility via our remote data center. In FY 2019, we completed our migration of email to the cloud and we are on schedule to complete our migration of desktop-based office productivity software in FY 2020. For FY 2021, we expect to continue migrating in-house applications to a cloud-based architecture where appropriate. These migrations will improve application availability, reduce our dependence on private data centers, strengthen the security posture of all users, and lower maintenance costs.

Risk Management and Planning

We have an enterprise risk management (ERM) process to establish, maintain, monitor, evaluate, and report on agency risks and the agency's system of internal controls. ERM is an integral part of all strategic planning, performance management, budget, IT, and human capital functions and activities.

As part of this effort we maintain an ERM database, which supports categorization, documentation, and evaluation of risks. Management performs ongoing assessments to identify, manage, and update risks in this database. The risk profile is developed from the risk database and ranks risks from an agency-wide perspective. The profile is discussed, prioritized, and reviewed by our Performance Management and Strategic Planning Committee. The primary purpose of this risk profile is to provide a thoughtful assessment of the risks that we face arising from our operations and mission-support activities.

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

Our managers actively integrate risk management principles into performance planning and budget formulation. There is now a more direct link between decision making, the weighing of risks, and the attainment of strategic goals.

Good Accounting Obligation in Government Act

The Good Accounting Obligation in Government Act (GAO-IG Act) requires each agency to include in its annual budget justification a report that identifies each public recommendation issued by the Government Accountability Office (GAO) and the agency's inspector general (IG) which has remained unimplemented for one year or more from the annual budget justification submission date. The Commission does not have any open GAO recommendations. The table below lists all nine of the Commission's IG recommendations that have been open for more than one year and the Commission's target date to take final action on the recommendations.

Report Title	Report Number	Issue Date	USITC OIG Recommendation	Target Date for Final Action on Management Decisions
Management Letter on Conflict of Interest Process	OIG-ML-17-10	02/10/2017	The Commission develop a process for senior officials to provide positive assurance that there are no conflicts of interest as they are assigned cases.	04/15/2020
Audit of Directives Management	OIG-AR-15-14	09/02/2015	Define standard format and content requirements for each type of internal rule.	04/15/2020
Audit of Directives Management	OIG-AR-15-14	09/02/2015	Document interrelated and dependent directives to understand how changing one policy may affect another.	04/15/2020
Audit of Directives Management	OIG-AR-15-14	09/02/2015	Require delegations of authority and agency designations to include authoritative sources and core responsibilities.	04/15/2020
Audit of Directives Management	OIG-AR-15-14	09/02/2015	Centralize delegations of authority and agency designations into a single document.	04/15/2020
Audit of Time and Attendance	OIG-AR-18-09	03/27/2018	Update Commission policies to remove duplicative information and clearly identify the roles and responsibilities where authority has been delegated.	04/15/2020
Audit of Time and Attendance	OIG-AR-18-09	03/27/2018	The Commission establish a process to keep accurate record of the hours worked by its employees.	04/15/2020
Audit of Time and Attendance	OIG-AR-18-09	03/27/2018	The Commission should have a consistent policy for recording time increments for credit, compensatory, and overtime hours.	04/15/2020
Audit of Time and Attendance	OIG-AR-18-09	03/27/2018	The Commission establish a policy to manage religious compensatory time.	04/15/2020

Senate Report 116-127: Reporting Requirements

In the interest of reducing government waste and expediting responses to current report mandates, Senate Report 116-127 invites agencies to submit a list of reporting requirements that it considers outdated or no longer relevant for the review of the Committees on Appropriations.

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

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

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Appropriation Language

Salaries and Expenses

“For necessary expenses of the U.S. International Trade Commission, including hire of passenger motor vehicles and services as authorized by 5 U.S.C. § 3109, and not to exceed \$2,250 for official reception and representation expenses, \$105,000,000 to remain available until expended.”

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Trade Remedy Investigations

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

Our first strategic goal is to produce sound, objective, and timely determinations in trade remedy proceedings. Our work supports U.S. companies and their workers' efforts to compete in the United States and in the global economy. Moreover, our timely resolution of complex IP disputes (section 337 disputes) can be of paramount economic importance to persons and companies holding U.S. IP rights.

Import Injury Investigations

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

Unfair imports, whether subsidized by a foreign government or "dumped" for sale at prices below the foreign market price or the cost of production, can injure U.S. companies. Congress enacted the AD/CVD laws to give U.S. producers and labor unions a way to obtain remedies when we find material injury or threat of material injury by reason of imports that Commerce has determined to be unfairly traded. The remedies take the form of AD/CVD duties on imported merchandise equivalent in value to the dumping margin and/or subsidy rate found for foreign producers by Commerce.

Historically, AD/CVD petitions have covered a broad range of products representing many sectors of the economy. These petitions can cover intermediate products, such as steel and chemicals, or finished goods, such as consumer products and processed agricultural products. In FY 2019, we instituted investigations covering five steel and fabricated metal products, such as fabricated structural steel, threaded rod, metal filing cabinets, steel staples, and forged steel fittings. In addition, we instituted investigations covering various chemicals, as well as others that covered final consumer goods, such as wooden cabinets and vanities, ceramic tiles, and quartz surface products. In FY 2019 we maintained relatively high levels of completed investigations (60), including cases on forged steel fittings, aluminum sheet, large diameter welded pipe, rubber bands, steel wheels, steel trailer wheels, and quartz surface products.

In FY 2019, more than half of the 15 petitions filed involved imports from multiple countries, ranging from two to six countries, with China being the predominant import source (8 of 15 petitions). Collectively, AD/CVD investigations resulting from petitions filed in FY 2019 involved about \$30.9 billion in U.S. consumption, \$5.7 billion in imports, and more than 67,000 U.S. production employees. The relatively large increases over FY 2018 in U.S. consumption and production employees were driven by filings involving a large number of domestic industry participants, such as fabricated structural steel and wooden cabinets and vanities.

Under section 201 of the Trade Act of 1974, we conduct global safeguard investigations and determine whether increased imports are a substantial cause of serious injury, or threat of serious injury, to the domestic industry producing the subject product. In FY 2019, we initiated two section 204 (i.e., midpoint safeguard monitoring) investigations resulting from the section 201 investigations completed in FY 2018. In addition, in FY 2020, the Commission received a request from the U.S. Trade Representative pursuant to section 204(a)(4). Specifically, under authority delegated to it by the President, the U.S. Trade Representative requested that the Commission provide advice regarding the probable economic effect on the domestic crystalline silicon photovoltaic (CSPV) cell and module manufacturing industry of modifying the safeguard measure. The U.S. Trade Representative has requested that this advice be delivered no later than March 7, 2020. Public inquiries about new safeguard petitions have subsided despite a petition in FY 2019 that was subsequently withdrawn.

To conduct import injury investigations, we assemble multidisciplinary teams that compile information from a number of sources, including questionnaire responses from domestic and foreign firms, publicly available information, plant tours, testimony at USITC conferences and hearings, and legal briefs from parties. Our investigative teams prepare fact-based reports on which the Commissioners rely to make their determinations. Interested parties' representatives have access to all of the information that we

examine and to confidential versions of Commission reports and opinions. All hearings and votes are open to the public and public versions of reports, party submissions, and opinions are available on our website, offering timely and useful information to companies and individuals.

Our investigative processes are fair and transparent. We ensure that investigative records are complete and contain information from all parties so the Commissioners can make sound and objective determinations that can withstand judicial scrutiny. We continually seek to improve our processes in terms of speed, efficiency, and technical soundness. In FY 2019, we advanced ongoing electronic data collection and processing efforts and implemented process improvements that reduced processing times for investigation-related documents. In FY 2019, we issued a survey to outside counsel to gather information related to the benefits, challenges, and key features associated with web- or extraction-enabled data and information collection vehicles. This information is essential in facilitating external party participation and ease of use as we advance efforts to improve collection, analysis, and presentation of information.

Throughout FY 2019, we continued to make more content available on the internet and continued our efforts to promote transparency. In FY 2020, we plan to increase focus on the technology and staff skills needed to develop and manage a data system for more complete, timely, and accessible reporting of trade remedy investigation information. We also plan to leverage the feedback obtained in the external survey to more efficiently collect information provided in responses to notices of institution via web- and extraction-enabled vehicles.

Our workload in import injury investigations is a function of both new filings and reviews of existing orders; estimating the number of future filings is more difficult than estimating the number of future reviews. Overall caseload (i.e., new filings plus reviews) fluctuates from year to year and was as low as 32 proceedings in FY 2010. Since then, the number of investigations and reviews instituted has steadily increased: there has been a sustained upward shift in recent years, with annual institutions increasing from the 40s to the current high 50s or low 60s. This upward shift is driven by continuing high levels of petitions, now regularly ranging from 15 to 20 filings per year. A complicating factor is the increasing share of staggered cases (i.e., multiple-country investigations that have more than one final determination date); these increase administrative and scheduling challenges across an existing heavy caseload. The growth in cases instituted per year in recent years has also been driven by the revocation of very few trade remedy orders, either at the Commission or at Commerce. For FYs 2020 and 2021, we project a sustained high overall caseload for import

injury investigations and reviews, estimating 62 investigations and reviews instituted in FY 2020 and 59 instituted in FY 2021. The overall number of reviews instituted is projected to increase in FYs 2020 and 2021, reflecting in part the number of new orders put into effect since 2000. In addition to the traditional factors driving the filing of petitions, recent complexities associated with the role of section 232 and 301 tariffs, along with possible self-initiation of cases at Commerce and potential designation of currency valuation as a countervailable subsidy, contribute to a dynamic environment affecting overall AD/CVD and safeguard activity.

Another significant portion of our workload in this area is defending our determinations in domestic litigation challenging them. This litigation is conducted at the U.S. Court of International Trade (CIT), the Federal Circuit, and binational review panels under NAFTA. We are typically successful in defending our determinations in these venues. In addition, our staff assists the U.S. Trade Representative in WTO disputes defending our import injury determinations, challenging injury determinations made by other WTO members that affect U.S. exports, or providing third-party comments on legal issues that are of institutional interest.

In FY 2019, there were six appeals of Commission Title VII determinations to the CIT, and three decisions by the CIT affirming Commission determinations that were appealed to the Federal Circuit. At the close of FY 2019, there were 30 Commission import injury cases pending in domestic courts (and one pending before a NAFTA dispute settlement panel). There were also eight challenges involving Commission determinations pending under the dispute settlement procedures of the WTO. In addition, there were five other WTO disputes involving trade remedies in which Commission staff provided trade policy support to the U.S. Trade Representative.

For FYs 2020 and 2021, we project that the number of new appeals challenging our import injury determinations will increase, reflecting the high number of projected new petitions and the number of active investigations that will be completed in FY 2020. In addition, so far in FY 2020, we are actively preparing submissions and participating in hearings for four of the pending WTO disputes concerning Commission determinations.

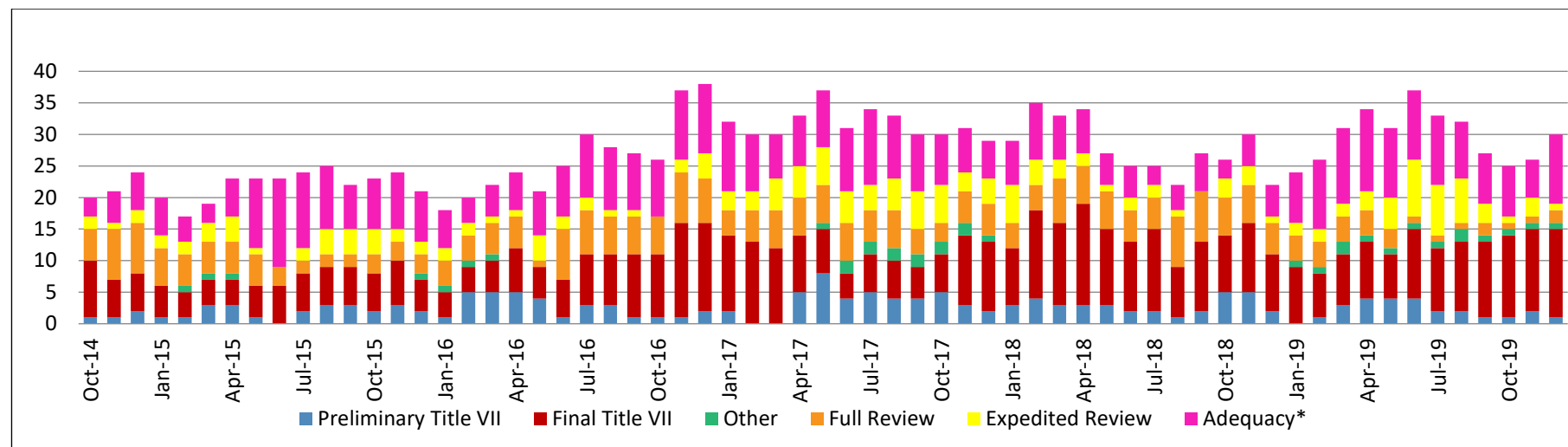
Trends in the investigative caseload and caseload estimates for FYs 2020 and 2021 are shown below.

Import Injury Investigations Caseload

Instituted and Completed Investigations

	Instituted							Completed						
	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Actual	FY 2020 Estimate	FY 2021 Estimate	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Actual	FY 2020 Estimate	FY 2021 Estimate
Preliminary Title VII	12	18	20	18	15	16	16	11	19	17	18	19	15	16
Final Title VII	10	16	12	21	19	16	16	12	13	19	18	15	20	16
Other	1	1	2	0	3	2	2	1	1	0	2	2	3	2
Full review	8	11	11	7	6	11	10	9	6	11	11	7	9	11
Expedited review	16	11	17	10	16	17	15	14	12	15	13	17	17	16
Total	47	57	62	56	59	62	59	47	51	62	62	60	64	61

Monthly Active Caseload

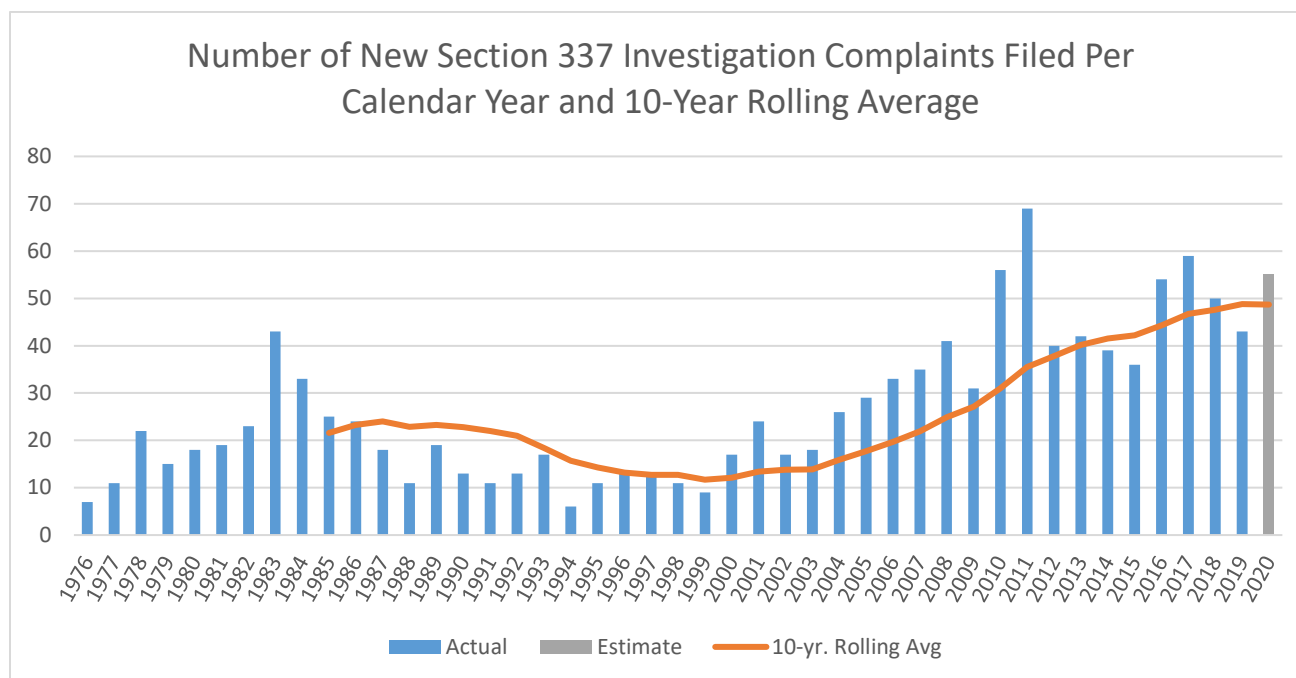


*We realigned our workload for five-year reviews in FY 2015, shifting a substantial portion of work to the “adequacy phase” of these proceedings. This phase precedes a determination to conduct a full or expedited review. In this chart, beginning in FY 2015, active five-year reviews in their adequacy phase are presented separately and labeled “Adequacy.”

Unfair Import Investigations

The Commission investigates unfair methods of competition and unfair acts involving imported articles under section 337 of the Tariff Act of 1930. These investigations typically involve alleged infringement of statutory IP rights, primarily patent rights. Intellectual property is a key driver of the U.S. economy and a critical element in U.S. competitiveness, and the Commission plays an important role in protecting it. The primary relief available under section 337 is exclusion of goods at the border. We have earned a reputation for providing fair, timely, and expert adjudication of complex IP disputes.

As a result, many IP rights holders, particularly in industries where the product life cycle is short, have come to see the Commission as a vital forum for the redress of IP infringement. This interest is reflected in the number of filings for unfair import investigations that we have received in recent years and in the significant percentage of the patent trials held in the United States that are conducted at the Commission. Since 2004, there has been an overall upward trend in new investigations filed year over year (as illustrated in the chart below). FY 2019 was no exception, and we expect the trend to continue in FYs 2020 and 2021.



The settlement rate of section 337 investigations continued to decline from 52 percent in FY 2018 to 45 percent in FY 2019. This means that approximately 55 percent of all investigations were proceeding at least through trial. As a result, more investigations instituted in FY 2019 will continue to have an impact in FYs 2020 and 2021; the average length of an investigation on the merits in FY 2019 was 17.7 months. Any resulting appeals could last for at least a year, but likely longer.

In addition to patent-focused investigations, there has been an increase in investigations (from two to five) alleging misappropriation of trade secrets in connection with imported goods. The recent focus in both the executive and legislative branches on the protection of trade secrets highlights the importance of this part of our docket. In addition, in FY 2019 we continued to see a rise in the number of investigations involving unfair acts and methods of competition other than patent infringement and misappropriation of trade secrets, including claims based on trademarks, trade dress, false advertising, false designation of origin,

and antitrust. There also continued to be an increase in the number of investigations seeking general exclusion orders for consumer good items.

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

The spectrum of products and IP rights at issue in section 337 investigations is quite broad. The docket has included many investigations involving the importation of sophisticated electronic devices, such as smartphones, tablets, laptops, and memory devices, and this will likely continue. In FY 2019, we also adjudicated investigations involving pharmaceuticals and medical devices, transportation-related products, and products such as magnetic storage tapes, LED lighting, height-adjustable desks, baby carriers, intraoral scanners, food service equipment, luxury vinyl tile, printer cartridges, and fashion dresses. There is a substantial overlap between the industries that dominate our IP docket and the industries found in a Commerce study to be the most IP-intensive in the United States.¹ The study found that these IP-intensive industries represent 29.8 percent of all jobs in the United States; that wages of private sector workers in IP-intensive industries were 46 percent higher than those of workers in non-IP-intensive industries; and that wages for workers in patent-intensive industries were over 74 percent higher than those of workers in non-IP-intensive industries. The study also found that the value added by IP-intensive industries amounts to more than 38 percent of the U.S. GDP. Our IP enforcement efforts therefore contribute to strengthening the U.S. economy and employment.

As noted above, one of our strategic goals is to produce sound, objective, and timely determinations in our investigative proceedings. The timely resolution of section 337 disputes is particularly important to patent holders because the duration of

¹ U.S. Department of Commerce, *Intellectual Property and the U.S. Economy: 2016 Update*, 2016.

patents is limited. Speed is even more crucial when disputes involve high-technology products that tend to have short commercial life cycles. Thus, in accordance with congressional intent, it is important to conclude our unfair import-based investigations as quickly as possible. This goal has been challenging in recent years because of the volume and complexity of investigations. We continue to examine various options for shortening the length of investigations. For instance, after piloting a 100-day early disposition program (under which, in selected investigations, the ALJ decides a potentially case-dispositive issue within the first 100 days of the investigation) for several years, in FY 2018, we promulgated rules incorporating this pilot into our procedures. We also continue to evaluate our initial case management pilot program (under which the parties are required to produce certain information early in an investigation), as well as a program using an eDiscovery case management approach. The purpose of the latter two programs is both to reduce costs and to curb the potential for abuse of discovery.

In addition, we regularly take steps to make our procedures more efficient and cost-effective, both for litigants and for the agency. During FY 2018, we promulgated several new rules. Besides codifying the early disposition program discussed above, we introduced rules regarding the severing of investigations with unrelated patents and technologies into multiple investigations. The purpose of these rules is to assist the Commission in meeting our strategic goal of issuing timely decisions while providing due process to litigants, allowing us to build sufficient factual records and maintain quality decision making. We also promulgated rules that would better align our section 337 subpoena practice with that of the federal courts.

We are also assessing ways to improve the effectiveness of the remedial orders that we issue. One issue frequently raised in this area is whether new and redesigned products are covered by an existing Commission exclusion order, cease and desist order, or consent order. U.S. importers, would-be importers, and IP rights holders have all expressed concern in recent years about how they can obtain timely, transparent, and binding decisions in this regard. In response, in FY 2015 we announced a pilot program to test the use of expedited modification and advisory opinion procedures to evaluate and rule on redesigned and new products that are potentially covered by our remedial orders. While modification and advisory opinion procedures have been available for years, we have set performance goals to streamline them to better meet the needs of those who may be affected by remedial orders. We have tested this pilot in 10 investigations since FY 2016, including two in FY 2019. Overall, this pilot decreased the length of time for these redesign proceedings.

In addition, we have been working to improve both our ability to report data involving section 337 investigations and the transparency of our data to the public. At the end of FY 2014, we launched 337Info, a searchable database providing data on investigations instituted since October 1, 2008.² Accessible from our website, 337Info offers members of the public easy access to information on scheduling, parties involved, patents at issue and unfair acts alleged, staff assigned, disposition of the investigation, and any appeals. Over the coming years, 337Info will be incorporated into a Commission-wide investigations database, enhancing the current features of 337Info. This effort will also assist the Commission in managing its investigation data. We use information captured in 337Info to generate statistics to respond to internal and external inquiries about section 337. In addition to 337Info, since FY 2016, we regularly report statistics for section 337 through an enhanced website interface that includes average length of investigations, number of exclusion orders issued, types of accused products, types of unfair act allegations, number of patents at issue, and settlement rates. We are in the process of improving this system to capture additional information and to automate some of our reporting processes.

We continue to foster settlement of cases by the parties involved in our section 337 investigations in several ways. These include ALJs ordering settlement discussions throughout the investigation; some ALJs requiring formal mediation; investigative attorneys fostering settlement efforts in those investigations in which they participate; and providing access to our mediation program. Settlements reduce the number of investigations in which we must make final determinations and conserve the resources of both litigants and the agency. As noted above, however, the settlement and withdrawal rates further decreased this past fiscal year.

Appellate litigation pending at the Court of Appeals for the Federal Circuit stemming from section 337 investigations absorbs a significant share of employee resources in our Office of the General Counsel. We are typically successful in defending our determinations before the Federal Circuit. The table below displays the number of pending appeals at the end of each fiscal year, FYs 2012–19.

²For information regarding investigations instituted prior to October 1, 2008, the Commission converted its legacy system into a searchable Microsoft Excel file.

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Number of pending appeals at end of FY	17	13	17	16	17	15	26	17

This is only a snapshot of the appellate litigation challenging section 337 determinations handled by the Office of the General Counsel. During FY 2019, there were 47 active section 337 litigation appellate matters. There was one petition for certiorari (petitions filed by losing parties requesting Supreme Court review) pending during the year.

For FYs 2020 and 2021, we anticipate a similar number of new appeals challenging section 337, based on the historical rate of appeals and the projected filings.

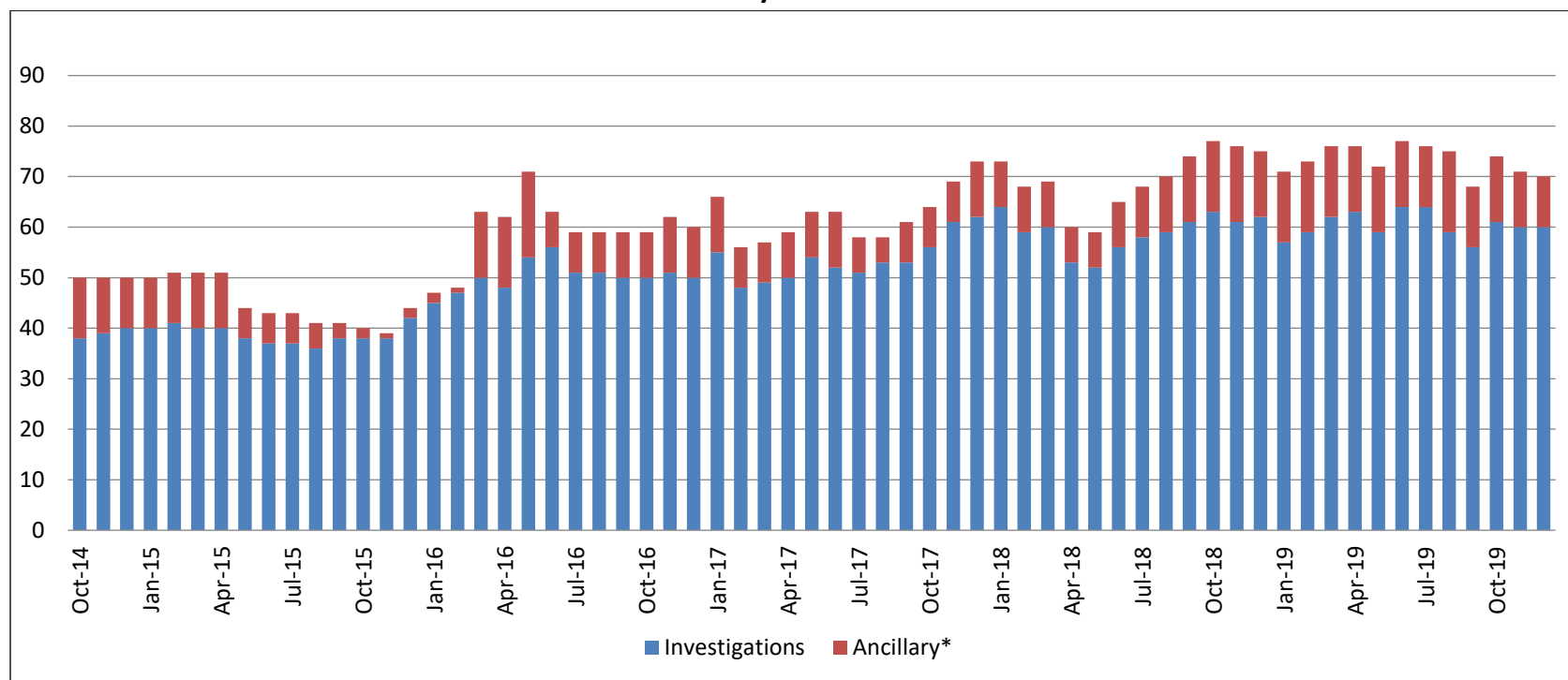
Trends in the investigative caseload and caseload estimates for FYs 2020 and 2021 are shown below.

Unfair Import Investigations Caseload

Instituted and Completed Original and Ancillary Investigations

Status	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Actual	FY 2020 Estimate	FY 2021 Estimate
Instituted	47	79	64	74	59	70	70
Completed	50	64	61	61	60	62	60

Monthly Active Caseload



*Ancillary investigations include post-order proceedings, such as modifications or rescissions (i.e., revocations) of remedial orders, advisory opinions, remands (cases returned) by the U.S. Court of Appeals for the Federal Circuit, and enforcement proceedings.

Tariff, Trade, and Competitiveness-related Analysis and Information

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

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

Industry and Economic Analysis

Investigations

We conduct investigations on a wide range of international trade and competitiveness issues that are of interest to U.S. policy makers and that affect firms, industries, workers, and consumers. Authority for most of our investigations is granted by section 332 of the Tariff Act of 1930, but also by various implementation statutes for specific trade agreements and by several general trade statutes. Most investigations fall into three broad categories:

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

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

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

Our investigations in most cases focus on issues that affect U.S. trade or important parts of the U.S. economy. Recently completed reports have analyzed market opportunities and foreign barriers to trade in global digital services; the economic effects of negotiated or proposed trade agreements with Canada, Mexico, Japan, the European Union, and the United Kingdom; and the economic effects of duty reductions and suspensions in the Miscellaneous Tariff Bill Act of 2018.

Policy makers rely on us to produce expert analysis of the global competitiveness of U.S. industries or U.S. trade with specific countries or regions. For instance, the series of three global digital trade investigations, completed in FY 2019, identified policy measures abroad and their effects on U.S. firms that are developing or providing digital products and services in key foreign markets. Such measures include data localization requirements in China, data protection rules in Europe, software source code disclosure requirements in Russia, investment restrictions in Brazil, local technology sourcing requirements in Indonesia, and others. These studies used a variety of qualitative and quantitative approaches, including a survey of more than 13,000 U.S. firms, a series of in-depth case studies covering multiple countries and industries, and economic modeling of the effects of foreign barriers.

Policy makers also rely on us to provide expert information about how narrowly focused policy changes—such as those affecting tariff preference programs or rules for determining a good's origin—may affect specific, often narrowly defined products. Recently completed or ongoing examples of such work include reports on changes to the U.S. Generalized System of Preferences program; U.S. trade and investment with Sub-Saharan Africa; and the global economic impact of missing- and low-pesticide maximum residue levels (MRLs).

The schedules for requested investigations often overlap with each other and with mission-critical work in other investigative areas. Moreover, requests often require us to develop or apply new analytic methods; collect and analyze unique primary data obtained through sector-specific questionnaires; or research and analyze new industries, competitive conditions, or trade barriers. During FY 2019, our employees executed multiple industry and economic analysis projects in tandem with other work projects required by statute (e.g., import injury investigations, trade policy support, tariff and trade information services, and petitions for temporary duty suspension or reduction).

Workload Expectations in FY 2020 and FY 2021

In FYs 2020 and 2021, we expect the number of new investigations to be similar to that of FY 2019, given the active trade policy agenda of the executive and legislative branches. In both fiscal years, one to two requests are expected to require us to develop, administer, and analyze responses to questionnaires, drawing on a relatively large amount of agency resources. We will continue to advance our use of electronic survey tools and methods, which have contributed to productivity gains in recent questionnaire-based investigations.

Our staff periodically discusses recurring reports with the requestors to ensure their continued interest in the information provided or to learn whether we should furnish additional information to meet emerging needs. During both FYs 2020 and 2021, we will enhance the online user interface of recurring reports, such as *The Caribbean Basin Economic Recovery Act Report*, *The Year in Trade*, *Shifts in U.S. Merchandise Trade*, and *Recent Trends in U.S. Services Trade*.

For FY 2020, in addition to the recurring reports, we anticipate responding to requests or statutory direction for new reports providing unique data and analysis. The reports will inform federal policy makers' efforts in international trade negotiations or in developing trade and other economic policies. Ongoing reports in FY 2020 include the following:

- *Sub-Saharan Africa: Recent Trends and New Developments*
- *Global Economic Impact of Missing and Low Pesticide MRLs*
- *Recommended Modifications in the Harmonized Tariff Schedule, 2020*

We anticipate a robust analytic workload in FYs 2020 and 2021, and we have a performance goal of expanding our capability to anticipate and address new areas of economic and industry analysis. To achieve this goal, we will focus our research and data development work in high-interest areas like the following:

- Advancing our modeling capabilities, such as the flexibility and usability of partial equilibrium analysis to better capture the nuances of specific industries.
- Expanding analysis in areas such as the impact of trade policy uncertainty; the enforcement of provisions in U.S. trade agreements; effects of trade and trade policy on U.S. workers; trade in digital goods and services; behind-the-border nontariff measures affecting goods and services (e.g., regulatory practices, technical regulations, conformity assessments, and standards); and supply chains.
- Increasing our capabilities and knowledge concerning trade-related agreements and U.S. trade relationships.

Such preparatory work expands our expertise and can help us respond efficiently and effectively to requests for analytic investigations, while also contributing to our work in import injury cases, tariff schedule maintenance, and trade policy support. These high-interest areas tend to require information and tools that are not readily available. Moreover, such work often requires significant staff effort to refine existing analytic tools or develop new ones. Our research agenda has kept us at the forefront of emerging analytic areas, such as quantifying a wider variety of nontariff measures; assessing trends in trade-reliant industries; analyzing the growth of digital trade and its impact on a growing range of industries; and evaluating the impacts of government policies, such as intellectual property regimes on trade. Consistent dedication of resources to support such work is needed to maintain the world-class quality of our work products.

External factors that are likely to influence the scope and number of requests for analytic investigations in FYs 2020 and 2021 include, among others, the following:

- The trade policy focus of the executive and legislative branches.
- Interest by trade policy makers in new technologies, industries, and business models, as well as interest in sector-specific U.S. industry competitiveness.

- Challenges and opportunities presented by shifting trade patterns and economic relationships between the United States and major trading partners.

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

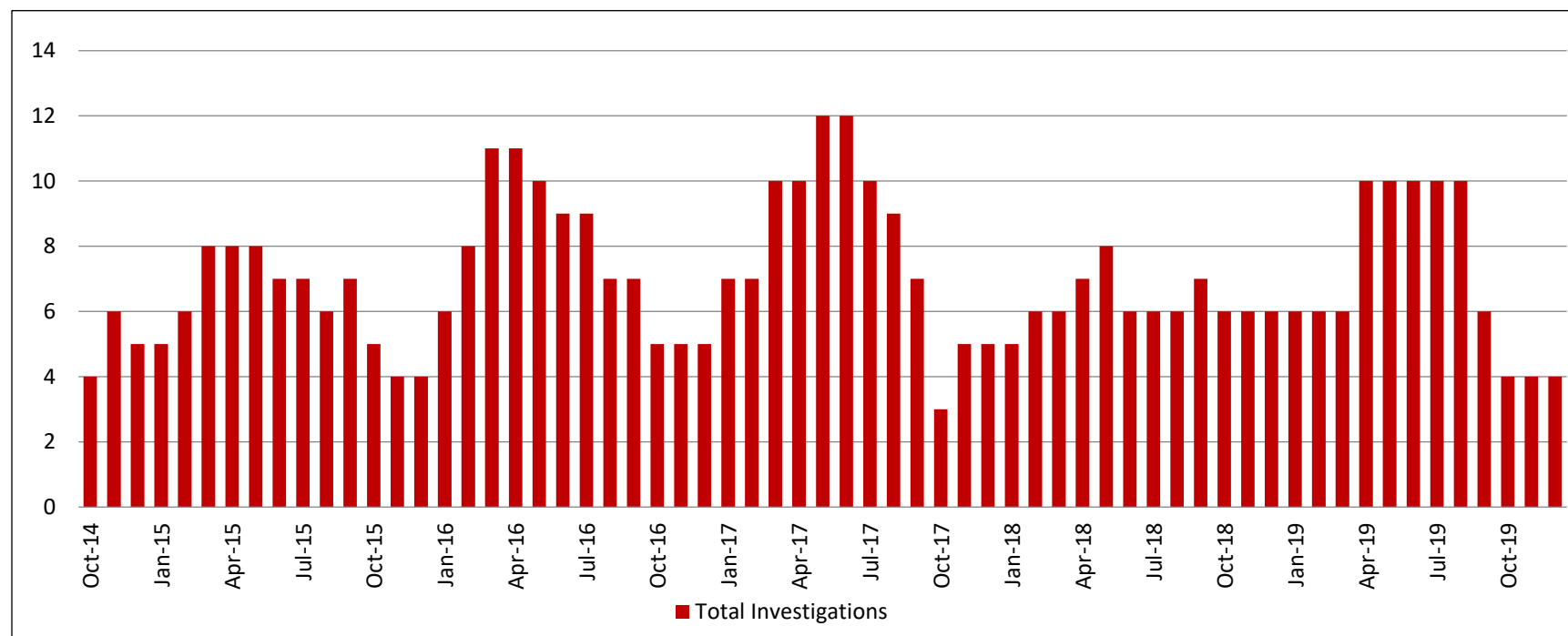
We also invest funds to ensure that we can respond efficiently and effectively to requests from Congress and the Administration through the continuous acquisition, development, and improvement of analytic tools, information resources, and research approaches, including survey methods and statistical, econometric, and simulation analyses. These funds are primarily spent on information databases, expert consulting services, and specialized software. In particular, staff collaborate with outside experts to update models so that we can better estimate the impact of policies affecting U.S. workers, sales by U.S. affiliates abroad, energy markets, and commodity supply chains. Significant advances also continue to be made in understanding nontariff measures affecting both goods and services trade, as well as trade agreements such as the U.S.-Mexico-Canada Agreement. During FYs 2020 and 2021, we will continue to invest in both our human capital and other resources to ensure that we can provide high-quality tariff-, trade-, and competitiveness-related analysis and information to policy makers in both the executive and legislative branches. Trends in the investigative caseload and caseload estimates for FYs 2020 and 2021 are shown below.

Industry and Economic Analysis Investigations Caseload

Instituted, Completed, and Active Recurring Investigations

Status	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Actual	FY 2020 Estimate	FY 2021 Estimate
Instituted	5	7	5	5	7	9	6
Completed	9	9	5	4	9	6	7
Active recurring	6	6	7	6	6	5	6

Monthly Active Caseload



Tariff and Trade Information Services

The USITC maintains and publishes the Harmonized Tariff Schedule of the United States (HTS) under the Tariff Act of 1930 and section 1207 of the Omnibus Trade and Competitiveness Act of 1988 (1988 Act). In line with this mission, we strive to improve access to high-quality, up-to-date tariff and international trade information and to reinforce our technical expertise in these areas to support the executive and legislative branches, the broader trade community, and the public. We maintain online interactive and in-house databases and an online HTS search tool; chair the U.S. interagency Committee for Statistical Annotation of Tariff Schedules; conduct investigations under section 1205 of the 1988 Act to propose certain HTS amendments to the President to meet our international obligations; and participate in the U.S. delegation to the World Customs Organization (WCO). Staff expertise in these areas strengthens our investigative work, as well as the trade policy support that we give to the executive and legislative branches. We also provide technical reports to Congress on miscellaneous tariff bill (MTB) legislation and advise the U.S. Trade Representative on aspects of the trade agreements program. We launched a new investigation under section 1205 of the 1988 Act in FY 2019 to evaluate the modification to the HTS that will be necessary to meet U.S. obligations to the WCO. These obligations involve incorporating the international Harmonized System changes for 2022 into the U.S. tariff schedule. The Commission will publish a preliminary report for public comment and a final report for Administration review and congressional layover in FY 2021.

Maintenance of the Harmonized Tariff Schedule of the United States

Maintaining and ensuring access to an accurate and up-to-date tariff schedule is of critical importance to the U.S. government and the private sector. U.S. Customs and Border Protection (CBP) relies on the HTS in collecting all tariff revenues and fees, which were estimated to be \$41.6 billion assessed on \$2.64 trillion in imports in FY 2018. U.S. importing firms rely on the HTS for accurate information in importing all goods into the country. As noted above, the HTS is the most heavily used tariff schedule in the world, based on the volume of trade covered. The HTS underlies the U.S. trade data maintained by the U.S. Census Bureau (Census), enables anyone interested in trade information to find tariff codes and rates, and is critical to CBP managing its trade enforcement activities.

The Harmonized Tariff Schedule of the United States Annotated consists of the HTS, its statistical annotations, and other related information. In addition to its tariff schedule management responsibilities, the Commission chairs the interagency Committee for

Statistical Annotation of the Tariff Schedules in coordination with CBP and Census. That committee administers statistical breakouts for tracking specific goods, if certain criteria are met. We also participate in or lead the U.S. delegation to various committees of the WCO. Continued funding for staff to attend WCO-related meetings is an agency priority as part of U.S. government efforts to ensure that the international tariff nomenclature takes U.S. economic interests into account.

In FY 2018, our staff used the HTS Data Management System to efficiently prepare and publish the annual Basic Edition and 13 additional revisions of the HTS to effectuate numerous tariff rate changes. In FY 2019, we published the annual Basic Edition and 14 revisions. In the first quarter of FY 2020, we have prepared and published seven revisions of the HTS, as well as the annual Basic Edition for January 1, 2020. In a typical year, only two or three HTS revisions are made. The Data Management System allows staff to incorporate legal modifications to the HTS proclaimed by the President, such as tariff rate increases on national security grounds or otherwise approved changes. That system also increases efficiency by automatically revising yearly staged rate reductions for products entering the United States under various free trade agreements. In its trade agreements, the United States and its trading partner(s) commit to eliminate tariffs on trade between them on a staged schedule (typically 5, 10, and 15 years, depending on the import sensitivity of the products). These tariff rate reductions occur at the beginning of each calendar year and are included in the annual Basic Edition of the HTS.

The Data Management System has received substantial positive feedback from the trade community and other agencies. Users particularly appreciate the system's ability to allow access to HTS data in machine-readable format. In FY 2021, we plan to improve the operational and reporting capabilities of the system, including adding a directory of new search terms to better assist users who may not have much experience with the HTS. With these improvements, we expect the Data Management System to serve as the backbone for issuing accurate and timely updates to the HTS for many years to come.

We also provide ongoing support to the U.S. Trade Representative in developing and analyzing rules for determining a product's origin—vital for negotiating and carrying out free trade agreements. This is another responsibility that will require significant staff time, particularly in connection with the evaluation of existing and new agreements. Our staff also helps the U.S. Trade Representative prepare the final versions of the implementing proclamations for trade agreements and other actions affecting the HTS.

Legislative Reports on Duty Suspension/Reduction Petitions

The American Manufacturing Competitiveness Act of 2016 (AMCA), 19 U.S.C. § 1332 note, enacted in May 2016, introduced a new process for the consideration of MTBs, in which likely beneficiaries file petitions for duty suspensions or reductions directly with our agency. Consistent with the AMCA's mandated deadlines, we deployed the Miscellaneous Tariff Bill Petition System (MTBPS) on October 14, 2016. Our staff used this system, developed entirely in-house, to receive and analyze all petitions and comments. The Commission delivered its final MTB report on August 8, 2017, concluding that 1,686 products were eligible for inclusion in the omnibus MTB legislation. The Miscellaneous Tariff Bill Act of 2018, P. Law. No. 115-239, was enacted on September 13, 2018. The tariff reductions and eliminations under the Miscellaneous Tariff Bill Act of 2018 became effective on October 13, 2018, and will expire on December 31, 2020.

The second MTB petition submission period began on October 11, 2019, and ended on December 10, 2019. We received nearly 4,100 petitions, which reflects an increase of more than 900 petitions (nearly 30 percent) over the 2016 cycle. We will deliver preliminary and final reports to the Senate Committee on Finance and the House Committee on Ways and Means in June and August of 2020, respectively. Our work to analyze the petitions and submit these reports will consume significant agency resources in FY 2020.

Other Online Tariff-related Services

The Commission also provides online trade services, such as the USITC DataWeb and the HTS tariff database. The DataWeb is a valuable tool used by our staff, external customers, and the public to organize U.S. import and export data for analysis. To improve functionality and address feedback, we re-engineered DataWeb, issuing the final version in the first quarter of FY 2019. The HTS tariff database reflects not only normal duty rates ("column 1-general tariff rates"), but also various preferential rates applicable under free trade agreements, the U.S. Generalized System of Preferences, and other preferential duty programs. Additionally, the web interface began integrating certain tariff information contained in our HTS Data Management System (described above) to provide seamless and efficient sharing of data.

Visitors to our website rely heavily on our HTS search function. In 2019, over 2 million visitors conducted nearly 28 million searches for tariff information. Daily, nearly 25,000 active users conduct over 76,000 tariff searches. The unique content we offer as the

official manager of the HTS ensures that we will continue to be a “go-to” source for the business community, domestic and foreign government agencies, and taxpayers.

Trade Policy Support

We draw on knowledge gained from our statutory investigations and other research to respond to expedited requests for technical expertise and data that trade policy makers can use to inform the development of U.S. international trade policy. This trade policy support, provided under section 332 of the Tariff Act of 1930, includes:

- Providing information and analysis on current issues related to trade and competitiveness.
- Providing technical comments on draft legislation.
- Preparing draft tariff legislation and annexes for presidential proclamations, memoranda, executive orders, and final decisions by various agencies.
- Providing information and analysis in briefings and meetings.
- Temporarily assigning (i.e., detailing) Commission staff to our oversight committees – the Senate Committee on Finance and the House Committee on Ways and Means – and the U.S. Trade Representative.
- Assisting trade delegations, negotiating teams, and Administration-led litigation teams in international dispute settlement forums.

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

In FY 2019, trade policy support requests covered a wide range of topics and issues. The resources we devoted to this activity provided an increased level of support to trade negotiations, as well as policy making. The variety of these requests underscores the wide scope of current trade policy issues, as well as recognition of our unique capabilities and expertise. We anticipate that the volume of trade policy support requests for FYs 2020 and 2021 will remain high. Congressional interest in obtaining real-time assistance with draft legislation and emerging policy issues is expected to continue, as is executive branch interest in our support of

negotiating teams and appearances before the World Trade Organization. In some instances, we have effectively met our requestors' requirements by detailing our staff to congressional oversight committees or to the U.S. Trade Representative. As budget and statutory workload permit, we may continue to detail a limited number of staff to these entities, on their request.

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Information Technology

General Statement

The Commission is committed to leveraging the power of information technology (IT) to transform agency operations, improve the customer experience, and safeguard our computer networks and information. Our IT program is critical to achieving our strategic goals and objectives, managing risk, and creating value for our stakeholders. Our FY 2021 budget request of \$105.0 million includes \$10.0 million to operate and maintain existing IT systems, infrastructure, and security; supply the IT resources needed to enhance systems that support our research and investigative missions; accommodate increased cybersecurity requirements; and modernize our data center and disaster recovery capabilities by increasing our use of cloud-based technologies.

Supporting the Agency's Mission

Our IT budget contains the resources to operate and maintain, as well as develop, modernize, and enhance, a complex suite of essential systems. These systems support our trade remedy and section 337 investigations, and the tariff, trade, and competitiveness-related analysis and information that we provide to the public and our stakeholders.

Miscellaneous Tariff Bill Petition System (MTBPS): In response to the May 2016 enactment of the American Manufacturing Competitiveness Act of 2016, we developed and deployed an electronic portal to support the Commission's mandate to receive, analyze, and make recommendations regarding petitions from the public for temporary duty reductions or suspensions on imported products. During the 2016 miscellaneous tariff bill (MTB) cycle, the system successfully received about 3,200 petitions and 2,500 comments on those petitions. Additionally, the system supported our internal analysis of those petitions and comments and the production of preliminary and final reports to Congress, in which 1,686 products were recommended for inclusion in an omnibus MTB. After delivery of our final report in August 2017, we surveyed both internal and external stakeholders, seeking feedback on the MTB program and the MTBPS. As a result of this feedback, we devoted FY 2019 IT resources to developing certain system enhancements in preparation for the current 2019 MTB cycle, which began on October 11, 2019. For FY 2020, we will be required to

secure, maintain, and ensure the availability of the MTBPS while we comply with our mandate to receive, analyze, and make recommendations regarding petitions from the public for temporary duty reductions or suspensions on imported products.

Harmonized Tariff Schedule of the United States (HTS): Maintaining and ensuring access to an accurate and up-to-date tariff schedule is of critical importance to the U.S. government and private sector. U.S Customs and Border Protection relies on the HTS in collecting all tariff revenues, and U.S. import firms rely on the HTS for accurate information in importing all goods into the country. The current HTS Data Management System, which was deployed at the beginning of the fourth quarter FY 2015, continues to receive positive reviews from the trading community and other agencies. User sessions continue to increase substantially, from 4.9 million sessions in FY 2016, 6.1 million sessions in FY 2017, and 7.6 million sessions in FY 2018 to 9.1 million sessions in FY 2019. In addition, the system supported 13 revisions to the annual Basic Edition of the HTS in FY 2018 and 14 revisions to the annual Basic Edition of the HTS in FY 2019, which are significant increases from previous years. In the first quarter of FY 2020, we have prepared and published seven revisions to the HTS, as well as the annual Basic Edition for January 1, 2020. We expect usage to continue to increase throughout FYs 2020 and 2021, which will require continued system maintenance to ensure availability and implementation of requested enhancements to search capabilities.

Electronic Document Information System (EDIS): EDIS is the repository for all documents filed in connection with the investigations that we conduct. EDIS provides the capability to file documents for an investigation, as well as search for submitted documents. It also supports the processing and review of documents internally. In FY 2018, we released a modernized version of EDIS to improve usability, incorporate updated technology, and add automated tracking of orders issued in response to motions filed in an investigation. In FY 2020 and into FY 2021, we will modernize EDIS's capability to electronically serve documents (eService) to external users under an administrative protective order (APO) for an investigation by allowing secure electronic access to designated documents containing business proprietary or confidential business information.

EDIS eService will make it possible for the Commission to electronically serve public and confidential documents to representatives of parties in our investigations who are authorized to access those documents under an APO, a function currently done via courier delivery of compact discs. New functions added to EDIS will include the capability to create and maintain public and confidential APO service lists for each investigation, to allow for the selection and review of documents to be served for an investigation, and to serve those documents to approved users using secure electronic means. These functions will significantly enhance our continuity of

operations posture by eliminating the need to copy and deliver the documents on physical media. In FY 2020, EDIS will allow public eService, and in FY 2021 it will allow confidential eService.

Investigation Database System (IDS): Through the IDS project, we are reviewing all of our investigations and assessing the data needs of each type. Needs can include status monitoring, daily execution tasks, general reporting needs, opportunities to standardize shared or similar data points, and improved accessibility of data internally and to the public. The new IDS will make it easier to intake, manage, and share investigation data, initially focusing on data related to Title VII and section 337 investigations. By standardizing and centralizing our investigative data into one consolidated system, we expect to improve the level of services that we provide and reduce ongoing maintenance costs. IDS will not only upgrade investigative data management, but it will also strengthen system security by enabling more extensive auditing. It will also add information about remands, offer access to relevant documents from EDIS, and serve as a modernized, electronic record of Commission votes and determinations. IDS will replace multiple legacy systems. Development of IDS began in FY 2019, with its first functional release scheduled for FY 2020. Enhancements and increased functionality releases are scheduled to occur through the end of FY 2021.

Information Security

We will continue to strengthen our security posture in FY 2021 by investing in new technologies, processes, and capabilities in line with the Federal Information Security Modernization Act of 2014 and government-wide best practices.

Continuous Diagnostics and Mitigation (CDM): We have internally implemented the four technical capabilities identified within phase 1 of the Department of Homeland Security's CDM program: (1) hardware asset management, (2) software asset management, (3) vulnerability management, and (4) configuration settings management. We use these capabilities to maintain our awareness of information security vulnerabilities and threats and to manage organizational risk. In FYs 2020 and 2021, we will continue to refine these capabilities internally.

Security Controls Assessments (SCAs): We continue to conduct SCAs on all of our defined IT systems. An SCA is a due-diligence exercise that uses a comprehensive, documented process to evaluate the extent to which an agency's security controls are implemented correctly, operating as intended, and meeting the security requirements for an information system. These assessments

are needed to issue an Authority to Operate (ATO) for each defined system and they must be recertified every three years. In FY 2021, we will continue to recertify our ATOs for our mission-essential systems.

Homeland Security Presidential Directive 12 (HSPD-12): We implemented HSPD-12 at our agency in FY 2016, enforcing two-factor authentication (i.e., a personal identification verification card plus a personal identification number) for system access. We will continue to integrate this capability with numerous agency subsystems and applications to reduce the number of application-based login systems. We are also evaluating the usefulness of adopting a similar protocol to enhance the security of our mobile devices.

Data Loss Prevention (DLP): We are currently able to detect the transmission of personally identifiable information (PII) via a scanner system that monitors all network transmissions in real time for certain PII patterns (primarily Social Security numbers) and a forensic network packet recorder that records all network transmissions for later retrieval and analysis. This recorder can also search for arbitrary text patterns such as PII keywords. Additionally, in FY 2018 we implemented a DLP solution that reviews data in emails sent externally from an internal agency address (i.e., email exfiltration) to prevent email containing PII, such as Social Security numbers and date of birth, from being transmitted outside the agency's network. This solution quarantines such messages for review and potential sanitization before retransmitting them. To complement and refine these capabilities, in FY 2021 we plan to deploy a dedicated DLP appliance to detect and prevent potential data breaches or exfiltration by monitoring, detecting, and blocking the movement of sensitive data. We also plan to significantly increase our ability to retain audit data so that we can better analyze trends and comply with records disposition schedules.

Privacy Program: We will continue to improve our maturing privacy program in FY 2021 by revising privacy policies that define how we manage and protect the PII that we collect, use, and maintain, and optimizing our Privacy Impact Assessment process. These assessments are designed to evaluate the risks to PII used by an agency. Maintaining a robust privacy program will ensure that we continually comply with all relevant privacy requirements, such as the Privacy Act of 1974, the E-Government Act of 2002, and Office of Management and Budget directives, and minimize the risk to individuals whose PII we use in our work.

Digital Systems Modernization

The 21st Century Integrated Digital Experience Act (21st Century IDEA) requires all executive branch agencies to improve their digital services and make them more accessible to all users. We consistently review our publicly available website and assess its digital

services, ensuring that they provide modern functionality and accessibility. We prioritize ongoing modernization efforts based on those with the most direct user impact.

The USITC internet website (www.usitc.gov) is our digital service with the highest number of public views and is the most important digital service for public engagement, providing tariff information, industry and economic research, and trade data to the general public. During the last year, the site had over 1.3 million unique visitors accounting for over 2.7 million site visits. Since the release of the modernized website in August 2019, the site has had 490,000 unique visitors accounting for 905,000 total sessions/visits. Based on this trend, we anticipate a slight increase in web traffic from the previous year. Customer satisfaction with the website has increased significantly since the redesign. The average satisfaction score, measured on a 0-100 scale, was 72.0 for the previous website. After the August 2019 release, the average satisfaction score is already 77.6 for the new website as of December 2019. The government-wide average for all agencies is 73 and has remained flat for the past three years. In addition to improved satisfaction scores, we continue to receive positive feedback from the public regarding the website redesign.

We have identified four additional digital services as having a significant role in public engagement: the Electronic Document Information System, DataWeb, the Miscellaneous Tariff Bill Petition System, and the Harmonized Tariff Schedule System web applications. All four services are modern and accessible, and they meet the technical, functional, and security requirements of new websites and digital services. The agency remains committed to modernizing and enhancing its digital services using data-driven analysis to ensure that it addresses user needs, and that all new websites and digital services will comply with the requirements of the 21st Century IDEA.

The USITC has issued a directive authorizing the use of digital signatures, instead of hand-written signatures, unless hand-written signatures are required by law. We also provide policy and rules on the use of electronic signatures, of which digital signatures are a type, for agency personnel. The USITC requires that new electronic applications and major application revisions support electronic signatures.

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The Office of Inspector General

The USITC's Office of Inspector General (OIG) provides audit, inspection, and investigative support services covering all of our programs and strategic operations. Its mission is to promote and preserve the agency's effectiveness, efficiency, and integrity. By statute, OIG is required to perform five reviews in FY 2020. The OIG will use contractor support to perform the independent audit of our annual financial statement, and in-house staff will perform the remaining four reviews. In addition to these reviews, and based on available resources, the OIG has identified 12 potential areas for review in its FY 2020 Annual Audit Plan.

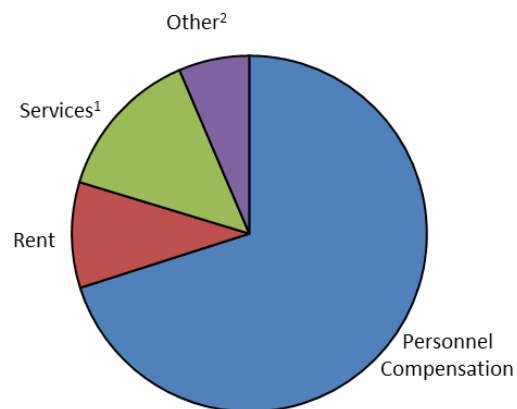
At approximately \$232,000, the OIG's non-personnel budget request for FY 2021 represents an \$18,000 increase to the amount of funding received in FY 2020. Included in the FY 2021 request is \$172,000 for contractual services, \$27,000 for technical equipment and supplies, and about \$2,500 for OIG's annual contribution to the Council of Inspectors General on Integrity and Efficiency. The OIG request also includes \$15,000 for travel and \$15,000 for training to meet the office's continuing requirements for professional education in leadership, technical knowledge, and other skills. The Commission's budget request contains enough resources to support OIG's four full-time staff members in FYs 2020 and 2021.

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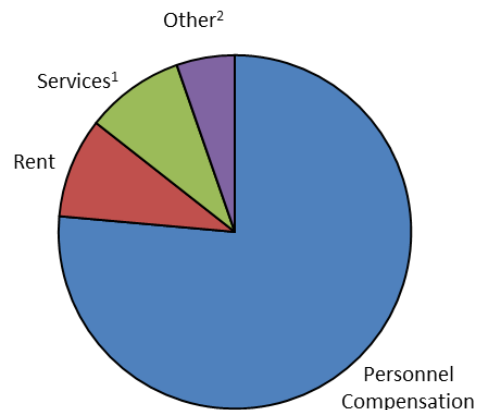
Dollar Cost: Comparison by Object Classification, Fiscal Years 2019–21

(dollar amounts in thousands)

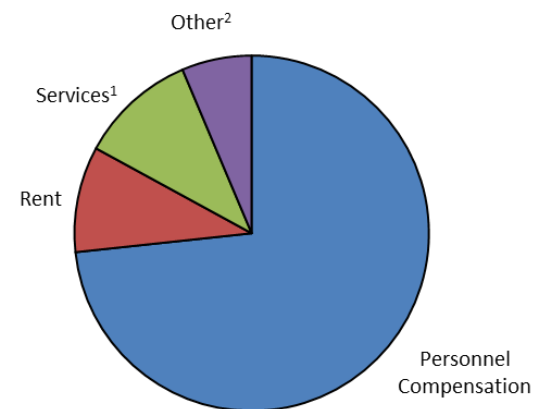
FY 2019: \$97,076







FY 2020: \$99,400



FY 2021: \$105,000



CATEGORY OF OBLIGATION	FY 2019 Actual		FY 2020 Estimate		FY 2021 Request	
	Dollars	Percent of Total	Dollars	Percent of Total	Dollars	Percent of Total
Personnel Compensation 	\$68,043	70.1%	\$75,960	76.4%	\$76,969	73.3%
Rent 	9,315	9.6	9,108	9.2	10,104	9.6
Services 	13,471	13.9	9,022	9.1	11,230	10.7
Other 	6,247	6.4	5,310	5.3	6,697	6.4
TOTAL	\$97,076	100.0%	\$99,400	100.0%	\$105,000	100.0%

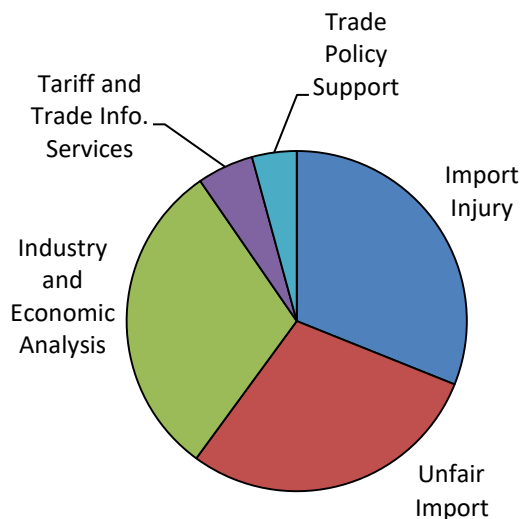
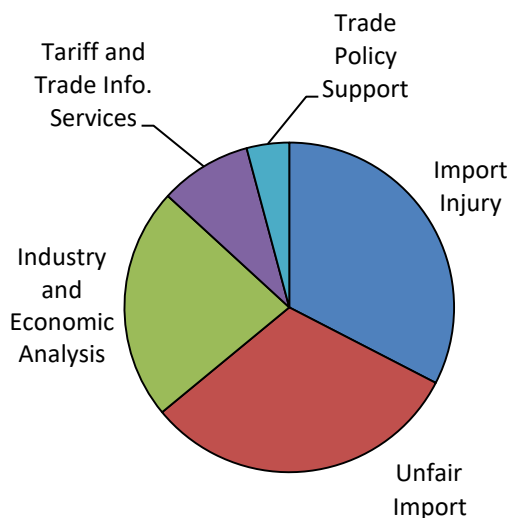
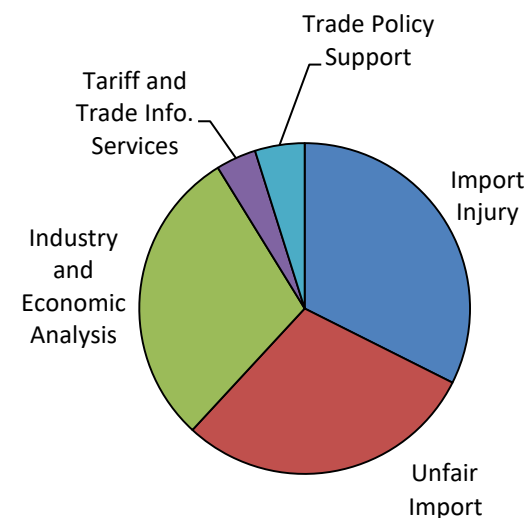
Note: Dollars may not add due to rounding in this and subsequent charts.

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

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

Dollar Cost: Comparison by Strategic Goal, Fiscal Years 2019–21

(dollar amounts in thousands)

FY 2019: \$97,076**FY 2020: \$99,400****FY 2021: \$105,000**

CATEGORY OF OBLIGATION	FY 2019 Actual		FY 2020 Estimate		FY 2021 Request	
	Dollars	Percent of Total	Dollars	Percent of Total	Dollars	Percent of Total
Trade Remedy Investigations (Strategic Goal 1)						
Import Injury	\$30,163	31.1%	\$32,382	32.6%	\$34,019	32.4%
Unfair Import	\$28,135	29.0%	\$31,260	31.4%	\$30,946	29.5%
Tariff, Trade, and Competitiveness-Related Analysis and Information (Strategic Goal 2)						
Industry and Economic Analysis	\$29,458	30.3%	\$22,654	22.8%	\$30,802	29.3%
Tariff and Trade Information Services	\$5,205	5.4%	\$8,962	9.0%	\$4,137	3.9%
Trade Policy Support	\$4,115	4.2%	\$4,142	4.2%	\$5,096	4.9%
TOTAL	\$97,076	100.0%	\$99,400	100.0%	\$105,000	100.0%

Analysis of Change by Object Classification, Fiscal Years 2019–21

(dollar amounts in thousands)

	FY 2019 Actual	FY 2020 Estimate	FY 2021 Request	FY 2020—21 Change	Percentage Change
Personnel Obligations	\$68,043	\$75,960	\$76,969	\$1,009	1.3%
Non-personnel Obligations					
Rent	\$9,315	\$9,108	\$10,104	\$996	10.9%
Services	13,471	9,022	11,230	2,208	24.5
Supplies	1,777	1,458	1,859	401	27.5
Equipment	1,930	940	1,560	620	66.0
Travel	535	617	682	65	10.5
Training	715	560	582	22	3.9
Communications and Equipment Rental	908	1,414	1,652	238	16.8
Printing and Reproduction	311	281	289	8	2.8
Official Reception and Representation	3	4	4	0	0.0
All Other (Transportation, Postage, Land and Structures)	69	36	69	33	91.7
Subtotal Non-personnel Obligations	\$29,033	\$23,440	\$28,031	\$4,591	19.6%
Total Obligations	\$97,076	\$99,400	\$105,000	\$5,600	5.6%

Summary of Changes from the FY 2020 Estimate

(dollar amounts in thousands)

Personnel Obligations

Personnel.....+\$1,009

Personnel obligations are expected to increase by approximately \$1.0 million. This level of funding will sustain the human capital investments that we made in FYs 2018 and 2019 and plan to make in FY 2020 to manage historically high investigative caseloads and numerous revisions to the Harmonized Tariff Schedule and tariff rate changes. These human capital investments were funded largely from deferring routine maintenance and upgrades to our IT infrastructure, data purchases and enhancements to systems related to our trade mission, and economic modelling and research services. Further, this funding level will cover the anticipated 1.9 percent pay raise effective January 1, 2021, and pay for the normal cost of employee promotions, within-grade increases, and increased benefits. Those increases will be offset by the departure of temporary staff assigned to the miscellaneous tariff bill process.

Estimated awards spending for general schedule employees as a percent of their salary is 2.0 percent in FY 2020 and 3.0 percent in FY 2021. The one percent increase was required by the Office of Management and Budget in its Passback instructions.

Non-Personnel Obligations

Rent.....+\$996

FY 2021 rent obligations are expected to increase by nearly \$1.0 million to reflect the annual rent—about \$10.0 million—in our 15-year lease agreement.

Services.....+\$2,208

Services obligations are expected to increase by \$2.2 million, bringing them closer to the historic levels necessary to support maintenance and upgrade of our IT infrastructure and systems related to our trade mission, and to fund requirements that have been deferred to fund human capital investments.

Supplies.....+\$401

Supplies obligations are expected to increase by \$401,000, reflecting the historic levels necessary for data purchases that support our trade mission.

Equipment+\$620

Equipment obligations are expected to increase by \$620,000 to support IT network and infrastructure maintenance and upgrade projects that have been deferred to fund human capital investments.

Travel.....+\$65

Travel obligations are expected to increase \$65,000 to sufficiently fund statutory investigations, anticipated studies, knowledge development in emerging trade issues and priority areas, representational travel to international organization meetings, litigation support, and multilateral and regional agreement negotiation support.

Training.....+\$22

Training obligations are expected to increase \$22,000. Training will be sufficiently funded to support developing and advancing staff skills and meeting licensing, certification, and professional education requirements. Approximately \$20,000 is included in our budget request for education and training of the acquisition workforce.

Communications and Equipment Rental.....+\$238

Communications and equipment rental obligations are expected to increase by \$238,000 to support IT network and infrastructure maintenance and upgrade projects that have been deferred to fund human capital investments.

Printing and Reproduction.....+\$8

Printing and reproduction obligations reflect an inflationary increase.

All Other (Transportation, Postage, Land and Structures).....+\$33

All other obligations are expected to increase \$33,000 to fund the typical level of postage requirements.

Net Non-Personnel Obligations Changes+\$4,591

Total Adjustment to Base (\$99,400)+\$5,600

Total Budget Request.....\$105,000

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The Commissioners

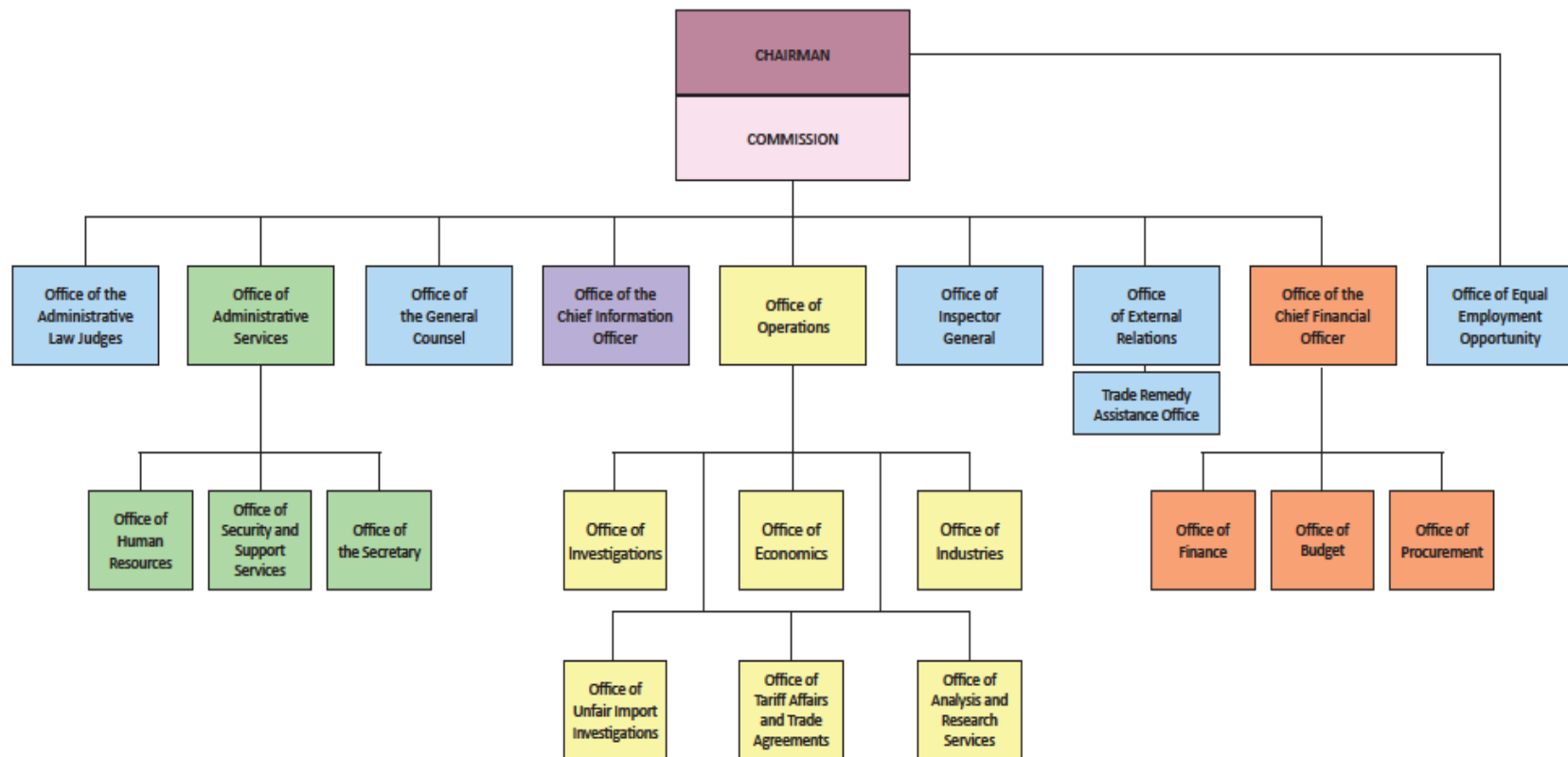
The USITC is headed by six Commissioners, who are nominated by the President and confirmed by the Senate. David S. Johanson, the senior Republican, is serving as Chairman of the Commission by operation of law. As of the date of issuance of this document, the Commission has no Vice Chairman. Other Commissioners currently serving are, in order of seniority, Rhonda K. Schmidtlein, Jason E. Kearns, Randolph J. Stayin, and Amy A. Karpel.³

Each Commissioner serves a term of nine years, unless appointed to fill an unexpired term. The terms are set by statute and are staggered such that a different term expires every 18 months.⁴ A Commissioner who has served for more than five years is ineligible for reappointment. A Commissioner may, however, continue to serve after the expiration of his or her term until a successor is appointed and qualified. No more than three Commissioners may be members of the same political party. The Chairman and the Vice Chairman are designated by the President and serve for a statutory two-year term. The Chairman may not be of the same political party as the preceding Chairman, nor may the President designate two Commissioners of the same political party to serve as the Chairman and Vice Chairman. Currently three Democrats and two Republicans serve as Commissioners.

³Currently, there is one vacancy.

⁴19 U.S.C § 1330.

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



Revised December 2017

Current Permanent and Term Staffing Plan and Target Staffing Levels

Office	Permanent and Term Positions		
	FY 2020 Staffing Plan	Onboard as of 1/29/2020	Gap
Commissioners	38	30	8
External Relations	4	4	0
Inspector General	4	4	0
General Counsel	53	48	5
Administrative Law Judges	26	26	0
Equal Employment Opportunity	2	2	0
Chief Information Officer	38	31	7
Subtotal: Other Offices	165	145	20
Operations	6	5	1
Analysis and Research Services	28	20	8
Investigations	31	29	2
Unfair Import Investigations	25	25	0
Economics	44	38	6
Tariff Affairs and Trade Agreements	14	14	0
Industries	77	70	7
Subtotal: Operations	225	201	24
Chief Financial Officer & Internal Controls	7	6	1
Budget	3	3	0
Finance	6	8	-2
Procurement	6	6	0
Subtotal: Chief Financial Officer	22	23	-1
Administrative Services	5	5	0
Human Resources	12	11	1
Security and Support Services	11	10	1
Secretary and Dockets	20	22	-2
Subtotal: Administrative Services	48	48	0
Commission Total	460	417	43

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



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