United States International Trade Commission

Budget Justification

Executive Summary

Fiscal Year 2022

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Budget Highlights

For FY 2022, the Commission requests $118.8 million to carry out our mission and functions. Most significantly, this funding is essential to hire more staff and make the necessary IT investments, commensurate with our record high caseload. What was originally perceived to be a temporary surge in caseload has proven to be a structural change in its volume and complexity. Initially, we managed the surge by realigning funds from non-personnel areas, notably IT infrastructure and system maintenance and development, to increase staff. However, that is no longer a viable option and current staffing levels are simply insufficient to manage existing and projected workload.

Our request reflects the resources required to increase staffing levels in the Office of Operations and the Office of the General Counsel, in particular, as they are heavily impacted by the high investigative caseloads. Further, caseload has surpassed the workload assumptions that we used to build our current staffing plan several years ago and the plan was built prior to additional statutory mandates (discussed below).

The request also provides resources for critical non-personnel needs that have been deferred to fund critical human capital investments. Further, it seeks to make long-overdue IT investments to improve the security of, alleviate the stress on, and maximize our IT infrastructure and to ensure the availability and accessibility of our public-facing IT systems. FY 2022 IT investments will include replacing end-of-life servers, investing in data loss prevention appliances to prevent potential data breaches, and modernizing our data center and disaster recovery capabilities by increasing our use of cloud-based technologies. Leveraging the cloud optimizes the availability and performance of our IT resources, 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.

Impact of COVID-19 Pandemic on Operations

The COVID-19 pandemic posed significant challenges during FY 2020 and we expect future challenges as we work toward resuming normal operations. The Commission shifted to mandatory telework in mid-March of 2020. Upgrades to our IT infrastructure made during FY 2019 and early FY 2020 allowed all Commission staff to shift to telework with minimal disruption. Agency leadership quickly issued guidelines to ensure employee safety and developed protocols for a phased approach to a return to the building. Senior management also quickly developed procedures to transform remaining paper-based processes to fully electronic processes.

Previous investments in platforms to support video-teleconferences allowed the agency to expeditiously adjust the format of its public hearings and staff conferences for its statutory investigations in light of the mandatory telework order. Later in the fiscal year, the agency procured video-teleconferencing software that had the requisite security to support the conduct of hearings and other activities involving confidential business information. The need to procure an alternative video-teleconferencing platform, among other things, led to unavoidable delays for unfair import investigations. Limited resources, particularly in staffing, exacerbated by the limitations of an entirely remote workforce, also posed a significant challenge as our statutory workload increased significantly throughout FY 2020. Despite this increase and the challenges posed by COVID-19, the Commission met statutory deadlines for its import injury and fact-finding investigations.

United States-Mexico-Canada Agreement

The United States-Mexico-Canada Agreement (USMCA) Implementation Act, 19 U.S.C. § 4501 note, entrusts the Commission with two new responsibilities: (1) to conduct investigations and make determinations with respect to whether grants of authority, received or requested by Mexican trucking firms or drivers to provide long-haul trucking services in the United States, cause or threaten to cause material harm to U.S. long-haul trucking firms and drivers; and (2) for the Chair of the Commission to participate in an interagency committee that advises on the implementation, enforcement, and modification of USMCA provisions that relate to automotive goods, including the alternative staging regime, and that reviews the operation of the USMCA with respect to trade in automotive goods, including the economic effects of the automotive rules of origin and the impact of new technology on such rules of origin.

The long-haul trucking provision, a Commission-wide mandate which involves the investigation of an imported service's impact on a domestic industry—a novel concept—will likely impose a greater burden on resources as it provides a new investigative authority. It authorizes U.S. providers of trucking services, and drivers and their unions, to file petitions for relief with the Commission. Upon receipt of a petition from an interested party (which also includes the President, the United States Trade Representative (USTR), or the USITC's two congressional oversight committees), the Commission must conduct an investigation, collect data and other relevant information, hold a hearing, and make a determination with respect to whether the grants of authority cause or threaten to cause material harm to U.S. long-haul trucking firms and drivers. Akin to the other safeguard cases, if the Commission makes an affirmative determination, it must recommend a remedy to the President. At the end of its investigation, the Commission must submit a report to the President that sets out its determination, any recommendation, and the basis therefor. The Commission has 120 days from the filing of a petition to make its determination on material harm. If it makes an affirmative determination, the Commission has 60 days to recommend a remedy.

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). Under the AMCA, potential beneficiaries can file petitions to suspend or reduce duties on eligible imported goods directly with the Commission. We successfully completed the second cycle on August 10, 2020, delivering a final MTB report, which determined that 2,694 products were eligible for inclusion in the omnibus MTB legislation. Twelve months after enactment of any MTB, we are to submit a report on the economic effects of the duty suspensions and reductions included in the bill. At the time this document was drafted, Congress has not introduced an MTB for the second cycle. Therefore, our FY 2022 budget request does not reflect the resources needed to produce the economic-effects report. In addition, at the time of this writing, there is no legislation authorizing future MTB petition cycles. Therefore, our FY 2022 budget request does not reflect the resources needed to maintain and enhance the MTB Petition System and fully staff future MTB petition cycles. There is the possibility, however, of both the need to submit a report and a reauthorization of the AMCA legislation, requiring the Commission to once again flex existing human capital and IT resources.

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 more resources to conducting or supporting other investigations and Administration initiatives. For example, following the two global safeguard investigations launched in 2017, after a hiatus of 16 years, under sections 201–204 of the Trade Act of 1974 (concerning Solar Panels and Cells, and Large Residential Washers), we conducted two section 204 midpoint monitoring investigations. Such investigations are conducted to monitor developments in an industry that has received relief from heavy import pressure under section 204, including the industry's efforts to adjust positively to import competition. We completed one investigation in 2019 and another in 2020. In addition to a safeguard investigation on blueberries requested by the U.S. Trade Representative, during 2020, we also initiated two additional investigations related to the two safeguard investigations launched in 2017—advice on modification of the safeguard measure requested by the U.S. Trade Representative and request for extension of relief requested by the industry. When relief ends, we will also initiate end-of-relief assessment reports. The November 2020 request by the U.S. Trade Representative for two perishable and seasonal fruits and vegetables-related monitoring investigations may also drive additional global safeguard petitions from these industries. Such investigations are infrequent and more resource intensive, requiring more data collection and remedy recommendations.

In addition, we have had to amend the Harmonized Tariff Schedule of the United States (HTS) in recent years an unprecedented number of times to incorporate the changes brought about by Administration initiatives. In a typical year, two or three HTS revisions are made; in FYs 2018 and 2019, 13 and 14 revisions were made, respectively. In FY 2020, the number of revisions increased to 30. The increase in HTS revisions was driven by a number of trade policy actions, including the entry into force of the USMCA; the USTR's investigation of acts, policies, and practices by the government of China under section 301 of the 1974 Trade Act; the U.S. 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; safeguard actions on large residential washers; and GSP modifications.

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 2020, the number of AD/CVD investigations was significantly higher than in recent fiscal years, and the caseload is expected to stay at comparable levels in FYs 2021 and 2022. In FY 2016, new unfair import matters under section 337 exceeded the previous peak in FY 2011; this caseload has remained high in subsequent years, and we expect it to remain high in FYs 2021 and 2022.

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

In FY 2020, 26 petitions were filed under Title VII of the Tariff Act of 1930, a significant increase from the prior fiscal year resulting in a new fiscal year filing record. The Commission witnessed historic caseload levels across the board as filings surpassed initial estimates by more than 40 percent; a total of 75 institutions surpassed recent records by 15 percent; and a total of 69 completions surpassed recent records by 11 percent. High caseload levels are expected to continue in FY 2021: we anticipate instituting 70 proceedings and completing 73. In FY 2020, more than half of the petitions involved imports from multiple countries (including three investigations covering 8, 16, and 18 countries each), with China being listed in 12 of the 26 petitions. Domestic industries filing petitions in FY 2020 produced a range of products, including various steel and metal products, chemicals, processed agricultural products, and final consumer products. While a substantial number of these investigations covered downstream products, including final and near-final consumer products (such as vertical shaft engines and walk-behind lawnmowers), a large share continued to cover steel and metal, and chemical products. Some investigations were particularly notable because of the large volumes of trade involved or the complexity of the market, including passenger vehicle and light truck tires (Korea, Taiwan, Thailand, and Vietnam), common alloy aluminum sheet (18 countries), mattresses (8 countries), fluid end blocks (China, Germany, India, and Italy), and utility scale wind towers (India, Malaysia, and Spain). In addition to new investigations, we instituted 30 reviews of existing AD/CVD orders.

Because existing orders are reviewed every five years, any increases in new investigations add to the number of reviews going forward, increasing our future caseload multifold.

As discussed above, there had not been any global safeguard investigations since 2001 until the Administration initiated the two safeguard investigations in FY 2017 (Solar Panels and Cells, and Large Residential Washers) and the subsequent remedy provided by the President. In FY 2020, the Commission completed one of the two midpoint monitoring investigations initiated in FY 2019. In addition, during 2020, we initiated two additional investigations related to the two 2017 safeguard investigations—advice on modification (Solar Panels and Cells) requested by the U.S. Trade Representative, and request for extension of relief (Large Residential Washers) requested by the industry. When relief ends, we will also initiate end-of-relief assessment reports. At the request of the USTR, we also initiated a global safeguard investigation on a perishable agricultural product, blueberries, which will also require the institution of a mid-term monitoring report if relief is provided. The USTR's request for two additional perishable and seasonal fruits and vegetables-related monitoring investigations may also contribute to expedited global safeguard petitions from these industries. As stated above, these investigations are uniquely resource intensive, requiring large data gathering and remedy recommendations.

During FY 2020, we continued our efforts to increase the transparency of our proceedings and reduce the burden on participating parties. We applied information obtained from a survey in 2019 to external stakeholders about the benefits, challenges, and key features to inform the structure of ongoing initiatives related to web- or extraction-enabled vehicles for providing information and collecting data. In FY 2021, we will continue ongoing efforts to develop 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 2020, our section 337 workload remained at high levels and is expected to remain steady in FYs 2021 and 2022. 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 (IP) rights. Our proceedings provide for timely resolution of matters that may also 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 other consumer goods such as LED lighting, height-adjustable desks, electronic candles, food service equipment, luxury vinyl tile, unmanned aerial vehicles, toner cartridges, and adjustable child carriers. Although section 337 investigations typically involve patent infringement allegations, they can also involve allegations of other unfair acts such as trademark infringement, trade dress infringement, false advertising, and trade secret misappropriation, which is an area of heightened concern for U.S. companies and Congress.

Work is ongoing to ensure that section 337 investigations are completed expeditiously, in line with congressional intent. We continue to build and develop the necessary staff and resources to conduct evidentiary hearings in section 337 investigations and focus on making the process more efficient and less costly for both litigants and the agency. Our efforts include improvements to courtroom space, acquisition of a FedRAMP-certified video-teleconference platform for virtual evidentiary hearings, 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 2021–22, we plan to implement electronic service of documents in EDIS, commencing with public service and moving to confidential service. We acquired BOX, a FedRAMP-certified cloud content management system, to enhance the secure transfer, use, and storage of the voluminous electronic documents produced in our investigations. We also plan to transition our investigation database, 337Info, which provides detailed information to the public about investigations instituted since October 1, 2008, to a new agency-wide investigations database system that will enhance features provided in 337Info. All of these efforts necessitate an adequate level of funding.

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

Analysis and Information on Tariffs, Trade, and Competitiveness

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 formally instituted investigations and other 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. The caseload for industry and economic analysis was at a high level in FY 2020 and is expected to remain high in FYs 2021 and 2022.

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

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

Our staff also develops new methods to produce high-quality economic analysis. For example, in estimating the economic effects of proposed trade policies, 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 2020, we applied new modeling approaches to assess the global economic impact of missing and low pesticide maximum residue levels. We continue to develop new capabilities by collaborating with other organizations, including academic institutions. During FYs 2021 and 2022, we plan to focus our research on areas such as improving our ability to model the effects of trade and trade policy on U.S. workers, modeling the effects of trade policy uncertainty, assessing industry competitiveness, 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, such as for COVID-related products
- How trade and investment barriers, rules of origin, and standards affect U.S. firms, workers, and consumers
- The distributional impacts of trade and trade policy on diverse groups within the United States
- 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 U.S. free trade agreements, both proposed and completed, 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

Our work to maintain and update the HTS, as discussed above, also impacts other U.S. agencies, private parties, and other stakeholders. U.S. Customs and Border Protection (CBP) relies upon the HTS for collecting tariff revenues on imported goods. Private firms use the HTS to learn the duties that they will pay on imported goods. U.S. exporters and importers depend on our work in the World Customs Organization 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. Compared to two or three revisions in a typical year, in FY 2020, we prepared and published 30 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 entry into force of the USMCA, tariff increases on steel and aluminum for national security, safeguard actions on large residential washers, GSP modifications, and on thousands of products to address policy changes with respect to China.

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 15,000 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 a data management system 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 for our own work and 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. In particular, we plan to reengineer the HTS Data Management System in FY 2022. Our appropriation request includes funding for that specific purpose. 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 requests for trade policy support from Congress and the Administration. In FY 2020, we supplied rapid responses on a broad array of issues and topics, ranging from litigation support in international tribunals to assessments of specific industry and economic issues, including issues relevant to the response to the COVID-19 pandemic. Our staff often provides 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 non-tariff-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 have required us to refocus our resources, apply new analytic techniques, and develop new trade-related databases. As budget and statutory workload permits, we also detail staff members to our main requestors' offices, where they can support the requestors' work while broadening their own 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 that we will experience significant constraints on our 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 complying with and implementing mandates, directives, and best business practices pertaining to IT security in a timely way. We continue to expand and improve our access controls, as well as mature our authorization program for web-based technologies. We predictively monitor and report on all activities via our security operations center, and we have improved our ability to ensure a secure IT infrastructure by increasing our level of security engineering support.

In FY 2022, strengthening our IT security posture by investing in new technologies, processes, and capabilities to exceed the requirements of the Federal Information Security Modernization Act of 2014, is a priority. Planned improvements include the following:

- More stringent access controls to further secure our infrastructure
- Increased reporting and improved monitoring of our network security by applying new software and increasing licensing
- Coordinating with the U.S. Department of Homeland Security to conduct external assessments and scans of agency systems
- Continuing independent assessments of our security and privacy controls systems to ensure that security controls are applied correctly, operating as intended, and producing the desired outcome for security requirements
- Further maturing of our incident response and intrusion detection processes

Remote and Cloud Computing

We plan to further advance our disaster recovery capacity and telework capability in FY 2022 by maintaining a modernized remote access solution, adding additional network capacity and redundancy, and ensuring improved levels of availability and accessibility via our hybrid cloud-based architecture. With continued reliance on the capabilities necessary to support a remote workforce, in FY 2022, we expect to continue migrating functionality to a distributed, hybrid cloud-based architecture to continuously improve the availability and accessibility of our systems, increase our redundancy, reduce our dependence on physical data centers, strengthen the security posture of all users, lower maintenance costs, and fully realize a positive return on investment.

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 us in categorizing, documenting, and evaluating risks to the agency. Management performs ongoing assessments to identify, manage, and update the 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 in a way that is commensurate with the magnitude of the harm that would result from unauthorized access, use, disclosure, disruption, modification, or destruction of a federal information system or federal information. 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 requires each agency to include in its annual budget justification a report that lists each public recommendation issued by the Government Accountability Office (GAO) and the agency's Office of Inspector General (OIG) that has remained unimplemented for one year or more from the annual budget justification submission date. The Commission does not have any open GAO recommendations. The table below lists all six 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
Audit of Directives Management	OIG-AR-15-14	09/02/2015	Define standard format and content requirements for each type of internal rule.	04/01/2021
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.	04/01/2021
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.	04/01/2021
Audit of Time and Attendance	OIG-AR-18-09	03/27/2018	Establish a process to keep accurate record of the hours worked by employees.	04/01/2021
Audit of Time and Attendance	OIG-AR-18-09	03/27/2018	Have a consistent policy for recording time increments for credit, compensatory, and overtime hours.	04/01/2021
Audit of Time and Attendance	OIG-AR-18-09	03/27/2018	Establish a policy to manage religious compensatory time.	04/01/2021

Publications Proposed for Elimination

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

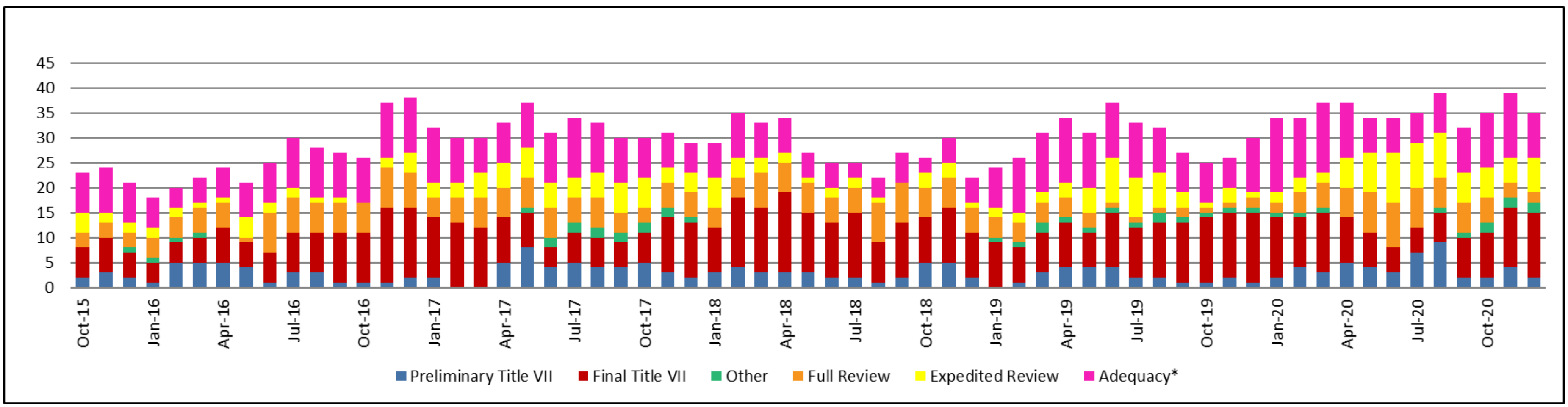
Similarly, the Commission requested that Congress streamline the production of the HTS by eliminating the requirement to print a hard copy of it, which can be found in 19 U.S.C.§ 3007(a). The statute requires the Commission to prepare a hard-copy version of the HTS and authorizes it to publish an electronic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

Import Injury Investigations Caseload

Instituted and Completed Investigations

	Instituted							Completed						
	FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Estimate	FY 2022 Estimate	FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Estimate	FY 2022 Estimate
Preliminary Title VII	18	20	18	15	26	18	18	19	17	18	19	25	19	18
Final Title VII	16	12	21	19	16	21	18	13	19	18	15	20	21	20
Other	1	2	0	3	3	6	4	1	0	2	2	2	5	5
Full review	11	11	7	6	5	10	13	6	11	11	7	6	8	12
Expedited review	11	17	10	16	25	15	27	12	15	13	17	16	20	21
Total	**57**	**62**	**56**	**59**	**75**	**70**	**80**	**51**	**62**	**62**	**60**	**69**	**73**	**76**

Monthly Active Caseload



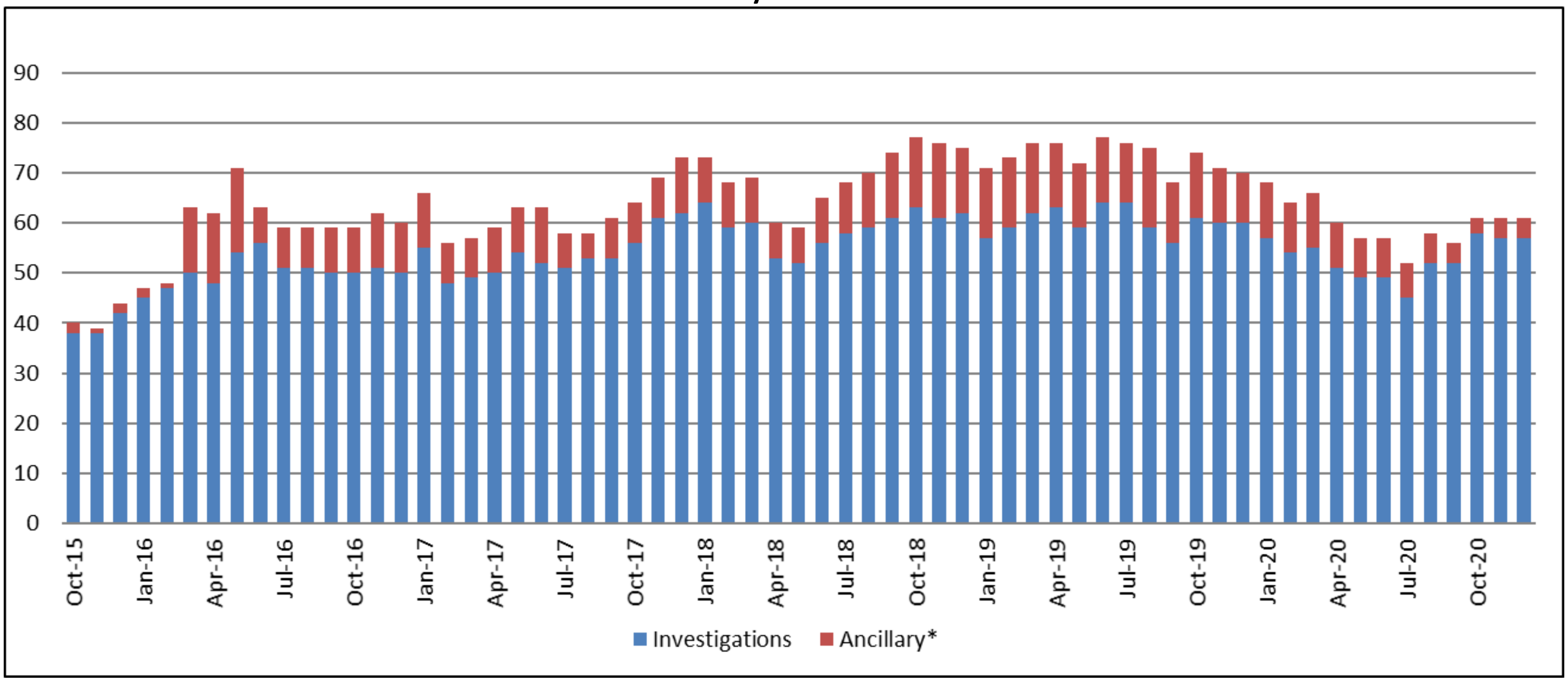
*We realigned our workload for five-year reviews in FY 2015, shifting a substantial portion of work to the "adequacy phase" of these proceedings. This phase precedes a determination to conduct a full or expedited review. In this chart, beginning in FY 2015, active five-year reviews in their adequacy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

Unfair Import Investigations Caseload

Instituted and Completed Original and Ancillary Investigations

Status	FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Estimate	FY 2022 Estimate
Instituted	79	64	74	59	52	60	60
Completed	64	61	61	60	67	55	60

Monthly Active Caseload



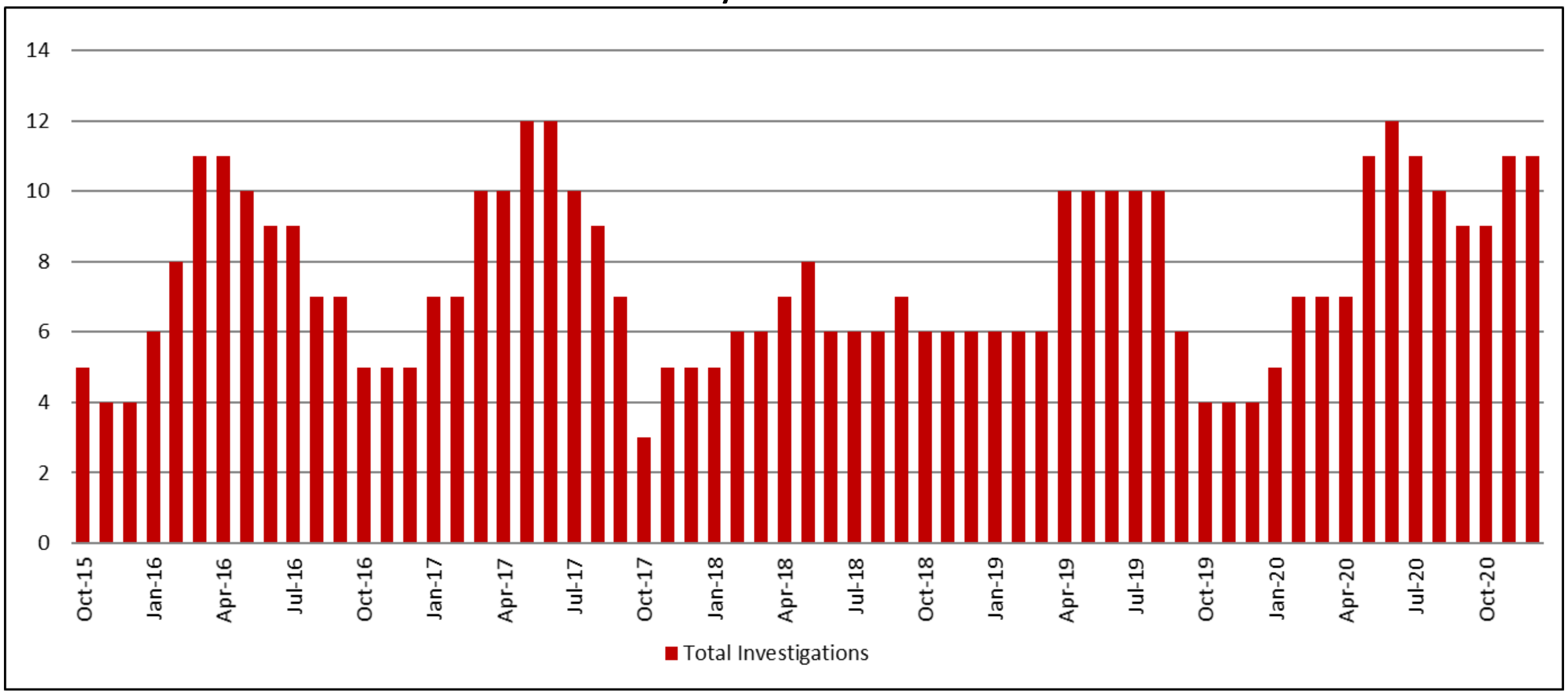
*Ancillary investigations include post-order proceedings, such as modifications or rescissions (*i.e.*, revocations) of remedial orders, advisory opinions, remands (cases returned) by the U.S. Court of Appeals for the Federal Circuit, and enforcement proceedings.

Industry and Economic Analysis Investigations Caseload

Instituted, Completed, and Active Recurring Investigations

Status	FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Estimate	FY 2022 Estimate
Instituted	7	5	5	7	10	11	10
Completed	9	5	4	9	5	9	8
Active recurring	6	7	6	6	5	6	6

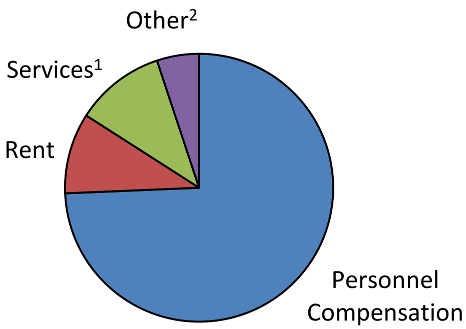
Monthly Active Caseload



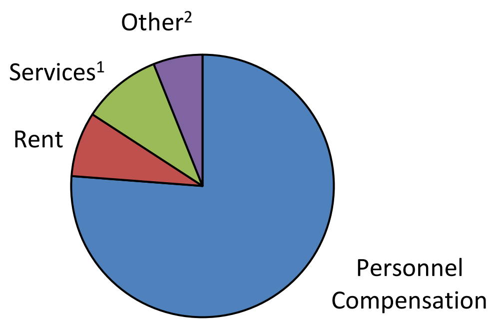
Dollar Cost: Comparison by Object Classification, Fiscal Years 2020–22

(dollar amounts in thousands)

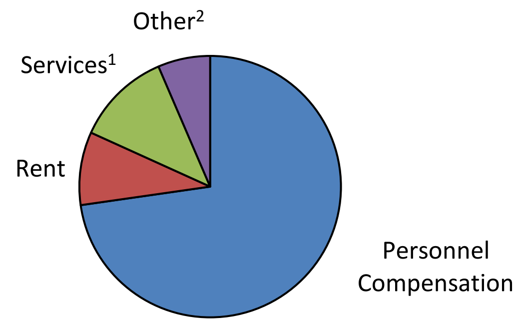
FY 2020: $101,625



FY 2021: $103,350



FY 2022: $118,842



CATEGORY OF OBLIGATION	FY 2020 Actual		FY 2021 Estimate		FY 2022 Request	
	Dollars	Percent of Total	Dollars	Percent of Total	Dollars	Percent of Total
Personnel Compensation	$75,543	74.3%	$78,755	76.2%	$86,439	72.7%
Rent	9,890	9.7%	8,246	8.0%	10,741	9.0%
Services	11,023	10.8%	10,200	9.9%	13,983	11.8%
Other	5,169	5.1%	6,149	5.9%	7,679	6.5%
TOTAL	**$101,625**	**100.0%**	**$103,350**	**100.0%**	**$118,842**	**100.0%**

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

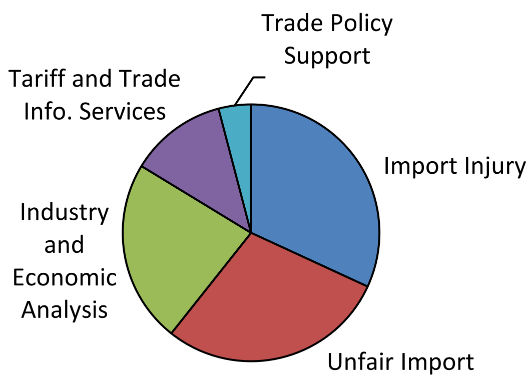
[1] Services include, but are not limited to, obligations for contractor staff (IT service desk, security guards, financial audits), software licenses, and equipment maintenance.

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

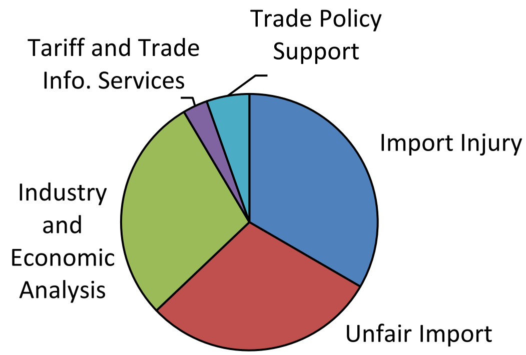
Dollar Cost: Comparison by Strategic Goal, Fiscal Years 2020–22

(dollar amounts in thousands)

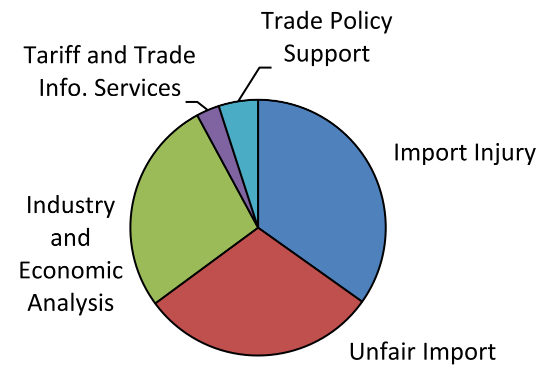
FY 2020: $101,625



FY 2021: $103,350



FY 2022: $118,842



CATEGORY OF OBLIGATION	FY 2020 Actual		FY 2021 Estimate		FY 2022 Request	
	Dollars	Percent of Total	Dollars	Percent of Total	Dollars	Percent of Total
Trade Remedy Investigations (Strategic Goal 1)						
Import Injury	$32,391	31.9%	$34,496	33.4%	$41,389	34.8%
Unfair Import	29,277	28.8%	30,503	29.5%	35,744	30.1%
Tariff, Trade, and Competitiveness Related Analysis and Information (Strategic Goal 2)						
Industry and Economic Analysis	23,395	23.0%	29,545	28.6%	32,319	27.2%
Tariff and Trade Information Services	12,414	12.2%	3,227	3.1%	3,468	2.9%
Trade Policy Support	4,148	4.1%	5,579	5.4%	5,922	5.0%
TOTAL	**$101,625**	**100.0%**	**$103,350**	**100.0%**	**$118,842**	**100.0%**

Analysis of Change by Object Classification, Fiscal Years 2020–22

(dollar amounts in thousands)

	FY 2020 Actual	FY 2021 Estimate	FY 2022 Request	FY 2021 22 Change	Percentage Change
Personnel Obligations	**$75,543**	**$78,755**	**$86,439**	**$7,684**	**9.8%**
Non-personnel Obligations					
Rent	$9,890	$8,246	$10,741	$2,495	30.3%
Services	11,023	10,200	13,983	3,784	37.1%
Supplies	1,642	1,741	1,932	191	11.0%
Equipment	1,102	1,226	2,507	1,281	104.4%
Travel	97	535	534	-1	-0.2%
Training	312	600	600	0	0.0%
Communications and Equipment Rental	1,664	1,635	1,683	48	2.9%
Printing and Reproduction	296	334	344	10	3.0%
Official Reception and Representation	2	4	4	0	0.0%
All Other (Transportation, Postage, Land and Structures)	55	74	74	0	0.0%
Subtotal Non-personnel Obligations	**$26,082**	**$24,595**	**$32,403**	**$7,808**	**31.7%**
Total Obligations	**$101,625**	**$103,350**	**$118,842**	**$15,492**	**15.0%**

Summary of Changes from the FY 2021 Estimate

(dollar amounts in thousands)

Personnel Obligations

Personnel..+$7,684

Personnel obligations are expected to increase by about $7.7 million. This funding is required to make human capital investments commensurate with our record high caseload. What was originally expected to be a temporary surge in caseload has proven to be a structural change in its volume and complexity. To illustrate, in FY 2020, there was a record-setting number of import injury investigation institutions (75 compared to an average of 57 in the preceding five years and an average of 47 in the preceding 10 years). Further, the upward trend in the number of new unfair import investigations and new appeals challenging section 337 determinations is expected to continue. The recent declining settlement rate of section 337 investigations (*i.e.*, the rate at which private parties settle their disputes or complaints are withdrawn) is also expected to contribute to continued higher future workload. Additionally, in FY 2021, we expect to reach a 10-year high in the number of new incoming factfinding reports. Lastly, the number of HTS revisions has increased exponentially in recent years, from 2-3 in a typical year to 13 in FY 2018, 14 in FY 2019, and 30 in FY 2020.

This funding level will also cover an anticipated 1.9 percent pay raise effective January 1, 2022, and pay for the normal cost of employee promotions, within-grade increases, and increased benefits.

Non-Personnel Obligations

Rent...+$2,495

FY 2022 rent obligations are expected to increase by $2.5 million to reflect the annual rent in our 15-year lease agreement.

Services..+$3,784

Services obligations are expected to increase by $3.8 million. Additional resources are requested to fund requirements that have been deferred to fund human capital investments. This includes modernizing our data center and disaster recovery capabilities by increasing our use of cloud-based technologies to ensure the availability and accessibility of our public-facing IT systems, making cybersecurity investments, migrating to a new financial shared services provider, and automating the procurement system to end reliance on paper contract files.

Supplies..+$191

Supplies obligations are expected to increase by $191,000 for data purchases to support our investigative caseload and trade mission.

Equipment...+$1,281

Equipment obligations are expected to increase by $1.3 million to support IT network and infrastructure maintenance and upgrade projects that have been deferred to fund human capital investments. This includes lifecycle replacement of cybersecurity equipment, servers, and workstations, and investments to secure a more available and flexible cloud-based architecture.

Travel..-$1

Travel obligations are expected to remain nearly the same in FY 2022 and will sufficiently fund statutory investigations, anticipated studies, knowledge development in emerging trade issues and priority areas, representational travel to international organization meetings, litigation support, and multilateral and regional agreement negotiation support.

Training..$0

Training obligations are expected to remain the same in FY 2022. Training will be sufficiently funded to support developing and advancing staff skills and meeting licensing, certification, and professional education requirements.

Communications and Equipment Rental..+$48

Communications and equipment rental obligations reflect an inflationary increase.

Printing and Reproduction..+$10

Printing and reproduction obligations reflect an inflationary increase.

All Other (Official Reception and Representation, Transportation, Postage, Land and Structures)**..$0**

All other obligations are expected to remain the same in FY 2022.

Net Non-Personnel Obligations Changes...+$7,808

Total Adjustment to Base ($103,350)...+$15,492

Total FY 2022 Budget Request..$118,842

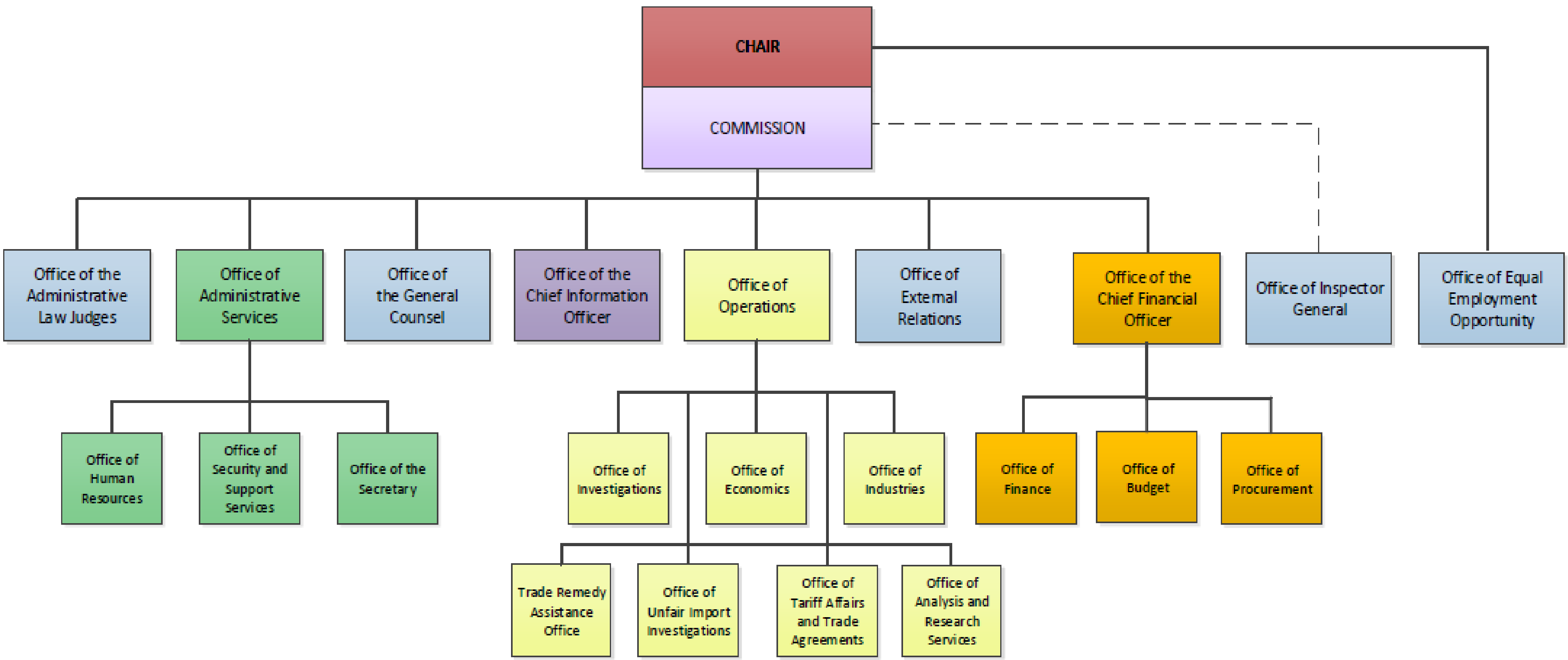
The Commissioners

The USITC is headed by six commissioners, who are nominated by the President and confirmed by the U.S. Senate. Jason E. Kearns, a Democrat, is serving as Chair of the Commission for a term ending June 16, 2022. Randolph J. Stayin, a Republican, is serving as Vice Chair for a term ending June 16, 2022. Other commissioners currently serving are, in order of seniority, David S. Johanson, Rhonda K. Schmidtlein, and Amy A. Karpel.[1]

Each commissioner serves a term of nine years, unless appointed to fill an unexpired term. The terms are set by statute and are staggered such that a different term expires every 18 months.[2] A commissioner who has served for more than five years is ineligible for reappointment. A commissioner may, however, continue to serve after the expiration of his or her term until a successor is appointed and qualified. Congress's desire to create an independent and bipartisan Commission is evident in the rules that dictate the composition of the Commission. No more than three commissioners may be members of the same political party. The Chair and the Vice Chair are designated by the President[3] and serve for a statutory two-year term. The Chair may not be of the same political party as the preceding Chair, nor may the President designate two commissioners of the same political party to serve as the Chair and Vice Chair. Currently three Democrats and two Republicans serve as commissioners.

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

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



Current Permanent and Term Staffing Plan and Target Staffing Levels

Office	Permanent and Term Positions: FY 2020 Staffing Plan	Onboard as of 1/26/2021	Gap
Commissioners	38	29	9
External Relations	4	4	0
Inspector General	4	3	1
General Counsel	53	46	7
Administrative Law Judges	26	24	2
Equal Employment Opportunity	2	2	0
Chief Information Officer	38	34	4
Subtotal: Other Offices	**165**	**142**	**23**
Operations	6	5	1
Analysis and Research Services	28	23	5
Investigations	31	28	3
Unfair Import Investigations	25	24	1
Economics	44	36	8
Tariff Affairs and Trade Agreements	14	14	0
Industries	77	63	14
Subtotal: Operations	**225**	**193**	**32**
Chief Financial Officer & Internal Controls	7	8	-1
Budget	3	3	0
Finance	6	6	0
Procurement	6	6	0
Subtotal: Chief Financial Officer	**22**	**23**	**-1**
Administrative Services	5	5	0
Human Resources	12	10	2
Security and Support Services	11	10	1
Secretary and Dockets	20	20	0
Subtotal: Administrative Services	**48**	**45**	**3**
Commission Total	**460**	**403**	**57**

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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