

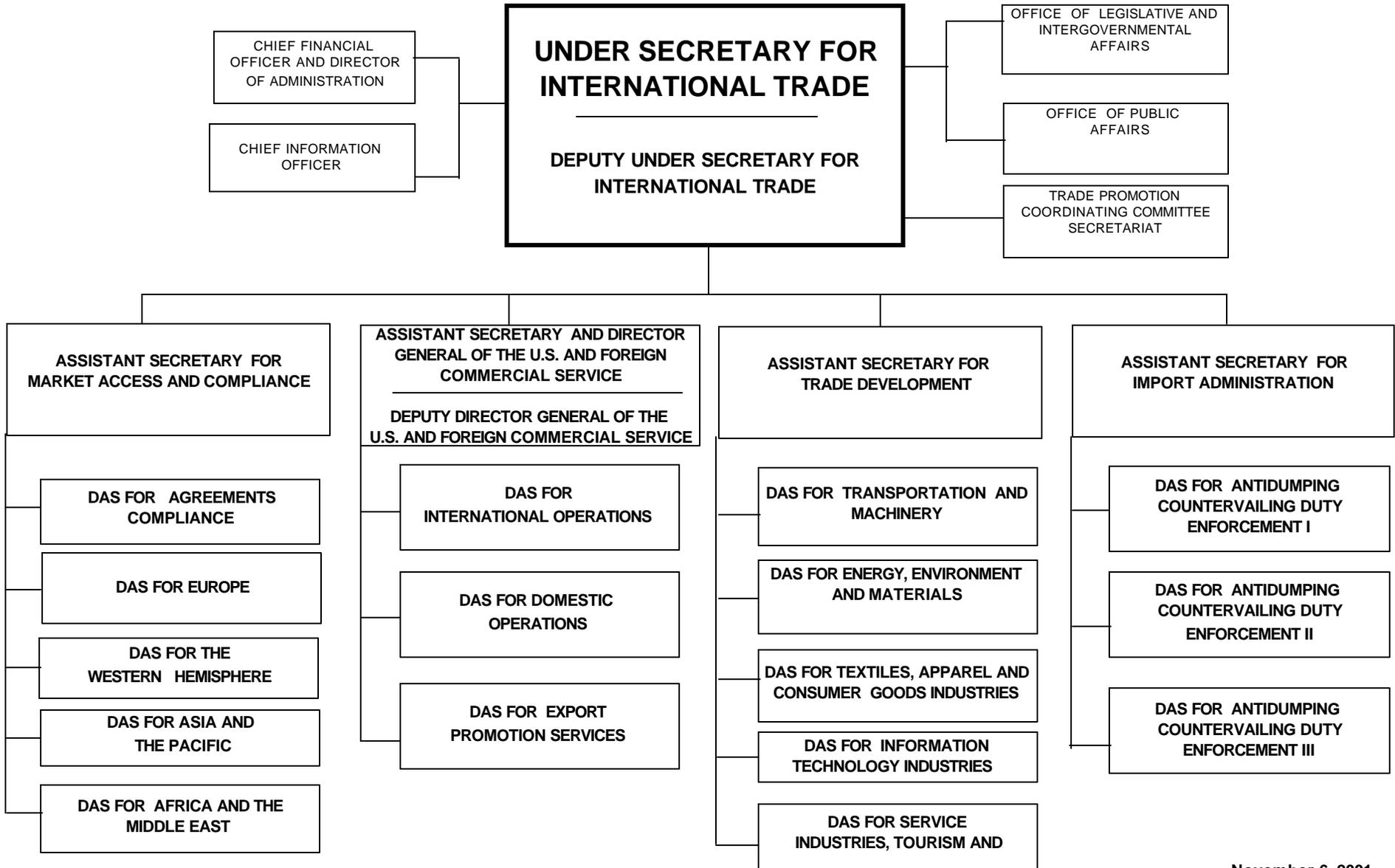
**DEPARTMENT OF COMMERCE
INTERNATIONAL TRADE ADMINISTRATION
Budget Estimates, Fiscal Year 2004
President=s Budget**

Table of Contents

<u>Exhibit Number</u>	<u>Exhibit</u>	<u>Page Number</u>
2	Organization Chart	ITA- 1
3	General Statement and Performance Measures	ITA- 3
3a	Summary of Goals and Performance Measures	ITA- 9
	Resource Requirements to Support Departmental Strategic Plan	ITA- 11
	Appendices	ITA- 17
5	Summary of resource requirements: direct obligations	ITA- 29
6	Summary of Reimbursable Obligations	ITA- 30
7	Summary of Financing	ITA- 31
8	Adjustments to Base	ITA- 33
9	Justification of the Adjustments to Base	ITA- 35
	Justification of program and performance:	
	Trade Development	ITA- 43
	Market Access and Compliance	ITA- 53
	Import Administration	ITA- 59
	U.S. and Foreign Commercial Service	ITA- 65
	Executive Direction/Administration	ITA- 73
16	Summary of requirements by object class	ITA- 83
17	Detailed requirements by object class	ITA- 85
33	Appropriation Language and Code Citations	ITA- 89
34	Consulting and Related Services	ITA- 95
35	Periodicals, Pamphlets, and Audiovisual Services	ITA- 97
36	Average Grade and Salary	ITA- 99

U.S. DEPARTMENT OF COMMERCE INTERNATIONAL TRADE ADMINISTRATION

Exhibit 1 to DOO 40-1



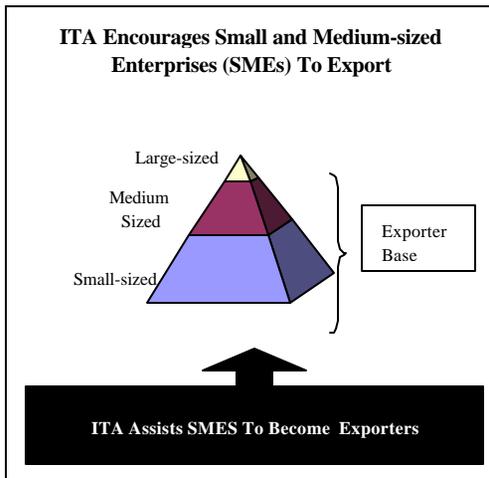
November 6, 2001

INTERNATIONAL TRADE ADMINISTRATION
BUDGET ESTIMATES, FY 2004
PRESIDENT'S REQUEST

EXECUTIVE SUMMARY

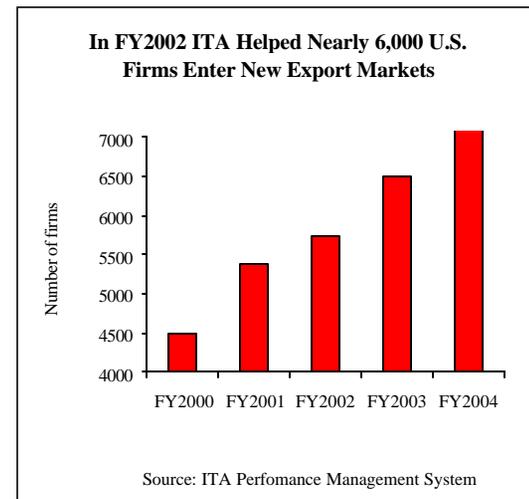
Resource Request

For FY 2004, the International Trade Administration (ITA) requests budget authority of \$382.1 million and 2,550 FTE. This request is a total increase of \$18.4 million in budget authority over the FY 2003 request level, which includes adjustments to base of \$14.7 million and a programmatic increase request of \$3.7 million.



“Trade expands choices for American consumers and raises living standards for our families, and now, after eight years, America is back in the business of promoting open trade to build our prosperity and to spur our economic growth.”

—President George W. Bush upon signing the Trade Act of 2002



Why We Make This Request

ITA is the leader in the Federal government for providing export promotion products and services, assuring compliance with trade agreements, supporting trade agreement negotiations, and countering unfair trade practices. For the maximum advantage to its clients, ITA programs are customer-focused and responsibly managed. ITA works to benefit U.S. firms, particularly small and medium-sized enterprises (SMEs), and U.S. workers.

President Bush has continually promoted the increase of exports to the world as being an important driver for U.S. economic growth and global democracy. Expanded trade leads to more prosperous U.S. businesses, more choices of goods and lower prices for consumers, more opportunities leading to higher wages for American labor, more jobs and economic growth. ITA contributes significantly to this prosperity B ITA’s efforts have opened \$40.2 billion dollars worth of export opportunities and have led to 5,740 businesses entering new export markets.

ITA's mission is to create economic opportunity for U.S. firms and workers, and ITA plays a leading role in the provision of export assistance products and services to SMEs. ITA ensures compliance with the provisions of negotiated trade agreements and represents and assists U.S. firms in overcoming trade barriers and accessing new markets.

Challenges and Opportunities

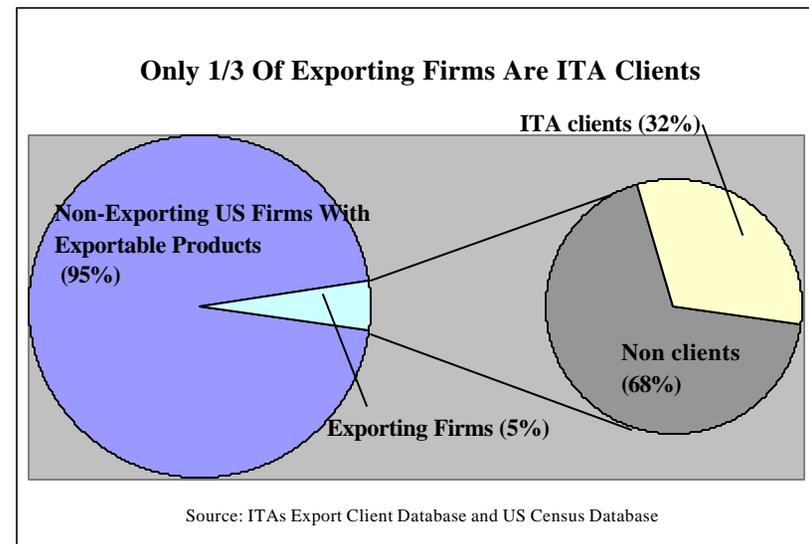
ITA faces additional demands as the international trade environment rapidly changes. Challenges and opportunities are constantly emerging, such as new markets to target, new trade barriers to overcome, new firms in need of export assistance, shifts in industry dynamics, a stronger role for international organizations and alliances, and fluctuations in exchange rates. U.S. firms depend upon ITA to act in their best interest through the development of trade statistics and economic analyses that help support our key WTO negotiating positions. ITA's success stems from its ability to integrate efforts to support the President's goal of promoting freedom and liberty through free trade, while the agency pursues its goal of expanding profitable markets for U.S. goods and services. For this reason, ITA is working to bring free trade to Africa, China, and the Americas. This work reinforces U.S. efforts to bring greater geopolitical stability to uncertain areas of the globe through enhanced opportunity and economic development.

Between 1994 and 2002, small and medium-sized enterprises that had heard of and used ITA's Export Assistance Services rose from 48% to 78%.

---Trade Promotion Coordinating Committee 2002 Benchmark Survey

While these pages will demonstrate ITA's record of success in promoting and expanding export opportunities for U.S. firms, the simple fact of the matter is that more can and must be done. Exports as a percentage of Gross Domestic Product (GDP) have remained fairly flat over the past decade and, while overall exports have grown, the percentage of U.S. firms that export is still below 5%. Also, of the SMEs that export, two thirds only export to one market, typically Canada or Mexico. ITA's challenge is to expand the number of exporting firms and the international markets to which they export, and thus diversify and strengthen the U.S. economy and promote stability.

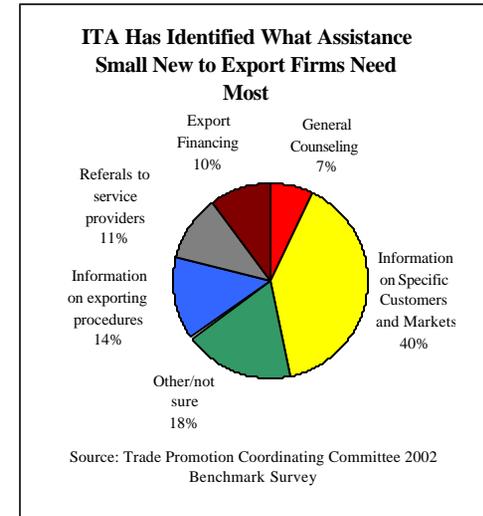
One of ITA's challenges is addressing customer demand and ensuring that SMEs continue to perform well in today's uncertain economy. ITA's dedication to pursuing this goal is bolstered by recent evidence showing that small and medium-sized companies increasingly see exporting as a core element of their business, expect it to serve as a source of growth, and plan to export to multiple markets. ITA's efforts to help companies export to new markets can substantially assist in unlocking billions of dollars worth of new business. ITA's budget proposal requests the resources ITA needs to respond to this challenge.



ITA's Integrated Performance Budget Supports the President's International Trade Agenda

ITA's mission, goals, objectives, and supporting measures are described in detail in its Strategic Plan, available at: www.ita.doc.gov/ooms/ITAMeasures/ITAStrategicPlan.pdf. ITA's goals and objectives drive the content and structure of this request and support the Commerce Department's core mission of promoting job creation and improving living standards for all Americans. In particular, ITA's programs directly support Commerce's strategic goal to "provide the information and framework to enable the economy to operate efficiently and equitably." ITA's Strategic Plan also outlines crosscutting activities in which ITA works closely with other government agencies to achieve desired outcomes and fulfill its lead role in international trade.

For the first time, ITA is submitting a budget request that is fully integrated with its planning and performance management processes. As required by the President's Management Agenda, this submission integrates budget and performance by illustrating how resources are distributed among six performance goals. This illustration is just one way in which ITA is actively pursuing the President's Management Agenda, and a more comprehensive review of ITA's activities and accomplishments is included in the appendix to this Executive Summary.



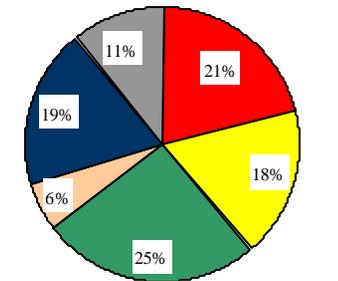
ITA's Mission and six Performance Goals are as follows:

ITA Mission B To create economic opportunity for U.S. workers and firms by promoting international trade, opening foreign markets, ensuring compliance with trade laws and agreements, and supporting U.S. commercial interests at home and abroad.

ITA Performance Goals:

Increase Trade Opportunities for U.S. Firms	21%
Broaden and Deepen U.S. Exporter Base	18%
Ensure Fair Competition in International Trade	25%
Advance U.S. International Commercial and Strategic Interests	6%
Improve Customer and Stakeholder Satisfaction	19%
Improve U.S. Competitive Advantage Through Global E-Commerce	11%

FY 2004 Projected Distribution of Resources



ITA's Devoted Resources By Performance Goal Projected for FY 2004

In pursuit of these goals, ITA performs several critical operations to help U.S. businesses achieve success in the international marketplace:

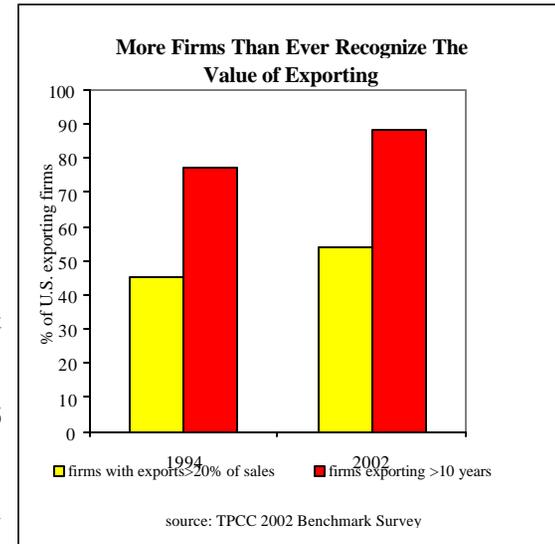
- Creates market access through trade negotiations and trade agreements
- Performs outreach to inform the U.S. business community of export opportunities
- Develops and disseminates trade and industry market research
- Promotes U.S. businesses abroad

- Counsels and provides technical assistance to SMEs on creating export opportunities
- Supports trade policy development
- Ensures compliance with trade agreements
- Protects against unfair trade practices

ITA offers more than 70 products and services to the exporting community to assist them in the worldwide commercial arena. ITA also provides trade compliance outreach through its Trade Compliance Center; operates a Trade Information Center that provides a single point of customer contact to government programs; runs the Advocacy Center that supports U.S. companies bidding on major foreign contracts; and coordinates U.S. Government export assistance programs through the Trade Promotion Coordinating Committee.

ITA employs nearly 2,500 people to perform these operations and to deliver these products and services. They are stationed throughout the United States and in foreign markets, and distributed across five program units: Trade Development, Market Access and Compliance, U.S. and Foreign Commercial Service, Import Administration, and Executive Direction/Administration.

ITA measures 20 different aspects of its performance toward achieving the goals in the FY 2002-FY 2006 Strategic Plan. These measures are shown in Exhibit 3A included in the Appendix to this Executive Summary. In keeping with the President’s Management Agenda and the Government Performance and Review Act (GPRA), these measures serve as the primary mechanism for holding ITA accountable for achieving its stated goals.



FY 2004 Budget Increase Request

While ITA’s mission, goals, and objectives are long term in nature, the FY 2004 budget focuses on the resources needed in the upcoming fiscal year that will enable ITA to help its business clients meet the challenges and demands in the international marketplace.

Improve Customer and Stakeholder Satisfaction:

Enterprise Information Technology (IT) Security Improvements (\$3,745,000 and 3 FTE) – This request will allow ITA to improve data security as part of an overall effort to better protect the confidentiality, integrity, and availability of ITA information assets. ITA works closely with other governments on trade policy issues, trade law enforcement, and monitoring compliance activities through its global data and information networks. ITA also supports efforts of other U.S. Government agencies including the State Department, Treasury and USTR who are involved with other governments on a day-to-day basis. ITA has made progress on addressing IT security issues and is focusing on compliance with critical IT safeguards and controls. However, ITA’s existing Information Technology (IT) security capability is inadequate to meet the new requirements resulting from the Government Information Security Reform Act.

Recognizing that legislative approval is necessary, funding for the Office of Space Commercialization has been taken out of the Technology Administration budget and

will be provided through the International Trade Administration.

Appendices to the Executive Summary

The following backup information regarding ITA resources and performance measures is attached:

- **Summary of Goals, Objectives and Performance Measures** - A matrix showing ITA performance measures and their relationship to DOC and ITA goals (Exhibit 3A).
- **Resource Requirements Summary** - A table showing the resource requirements supporting the Departmental Strategic Plan (It replaces Exhibit 3B).
- **ITA's Implementation of the President's Management Agenda.**
- **Deployment of Compliance Resources Worldwide.**
- **Distribution of ITA Domestic Field Employees and Small and Medium-Sized Enterprises Exporting Merchandise (by State).**
- **ITA's Overseas Offices**
- **Crosswalk Mapping New, Integrated Performance Budget Structure to Former Line Item Structure.**
- **Status of Fee Study.**

**INTERNATIONAL TRADE ADMINISTRATION
SUMMARY OF GOALS AND PERFORMANCE MEASURES**

DOC Theme	ITA Goals	ITA Measures
<p>American Jobs American Values</p>	<p>#1. Increase Trade Opportunities for U.S. Firms ITA opens markets by developing industry-specific agreements, participating in and conducting trade negotiations, and working with foreign governments on trade-related issues.</p>	<ul style="list-style-type: none"> • Number of new or enhanced ITA partnerships with public and private sector entities to promote U.S. exports
	<p>#2. Broaden and Deepen U.S. Exporter Base ITA promotes international trade by providing trade assistance to U.S. firms.</p>	<ul style="list-style-type: none"> • Percentage of undertaken advocacy actions completed successfully • Dollar value of completed advocacies (U.S. export content) • Number of U.S. exporters entering new market • Number of U.S. firms exporting for the first time • Number of export transactions made as a result of ITA involvement
	<p>#3. Ensure Fair Competition in International Trade ITA is committed to building a rules-based trading system in which international trade is both free and fair for American firms and workers by combating dumping and subsidy of imports. ITA works with foreign governments to resolve trade-related market access problems and ensures foreign compliance with U.S. negotiated international trade agreements</p>	<ul style="list-style-type: none"> • Percentage of antidumping (AD)/countervailing duty (CVD) cases completed on time • Number of market access and compliance cases initiated • Number of market access and compliance cases concluded
	<p>#4. Advance U.S. International Commercial and Strategic Interest ITA supports the President's trade policy agenda and trade-related foreign policy initiatives.</p>	<ul style="list-style-type: none"> • Dollar exports in targeted products and markets • Place holder for FY 2004 measures on trade and economic analysis and international trade negotiations
	<p>#5. Improve Customer and Stakeholder Satisfaction ITA focuses on improving the quality and delivery of products and services to our customers, stakeholders and employees.</p>	<ul style="list-style-type: none"> • Customer satisfaction with the quality of ITA's products and services • Customer perception of ease of access to export and trade information and data • Customer value: Level of awareness of ITA products and services • Employee job satisfaction • Number of customers acquired through proactive ITA efforts • Number of U.S. exporter activities undertaken per customer surveyed
	<p>#6. Improve the U.S. Competitive Advantage Through Global E-Commerce ITA ensures that both the Internet and foreign markets are open to U.S. exports. ITA helps small business use the Internet to find markets overseas and helps emerging economies make the transition to the digital age.</p>	<ul style="list-style-type: none"> • Number of new subscribers using BuyUSA.com e-services • Customer perception of portal ease of use • Percentage of ITA's significant products and services provided electronically to external customers

Targets and Performance Summary

(See Individual Performance Goal section for further description of each measure)

Performance Goal 1: Increase trade opportunities for U.S. firms							
	FY 1999 Actual	FY 2000 Actual	FY 2001 Actual	FY 2002 Target	FY 2002 Actual	FY 2003 Target	FY 2004 Target
Number of New or Enhanced ITA Partnerships with Public and Private Sector Entities to Promote U.S. Exports	New	New	New	36	Not Available ¹	50	50
Place Holder for FY 2004 Measures on Trade and Economic Analysis and International Trade Negotiations	New	New	New	New	Not Available	New ²	New
Number of New-to-Market Firms	67,835	54,307	63,719	54,000	64,263	Discontinued ³	Discontinued
Performance Goal 2: Broaden and deepen U.S. exporter base							
	FY 1999 Actual	FY 2000 Actual	FY 2001 Actual	FY 2002 Target	FY 2002 Actual	FY 2003 Target	FY 2004 Target
Percentage of Undertaken Advocacy Actions Completed Successfully	New	New	New	15% to 20%	11.8%	12% to 15%	12% to 15%
Dollar Value of Completed Advocacies (U.S. Export Content)	New	New	New	\$3B to \$4B	\$8.64B	\$4B to \$6B	\$4B to \$6B
Number of U.S. Exporters Entering New Market	New	4,502	5,386	5,900	5,740	6,500	7,100
Number of U.S. Firms Exporting for the First Time	New	673	742	800	699	800	800
Number of Export Transactions Made as a Result of ITA Involvement	New	New	11,160	12,300	12,178	13,500	14,800
Number of New-to-Export Firms	42,351	33,514	20,422	30,000	21,850	Discontinued ⁴	Discontinued

¹ Data sources and consistent application of reporting definitions will yield baseline data during FY 2002

² These measures are under development and will be implemented during FY 2004.

³ Recorded the number of firms that were planning to enter a new market. ITA replaced the measure with the "Number of U.S. Exporters Entering a New Market for the First Time," which reports only on new U.S. exporters that transact an actual verifiable export sale.

⁴ The data presented is based on a projection of potential growth in the U.S. share of the foreign market for both the company involved and for U.S. industry as a whole, or it is based on firm- or industry-provided estimates.

Performance Goal 3: Ensure fair competition in international trade							
	FY 1999 Actual	FY 2000 Actual	FY 2001 Actual	FY 2002 Target	FY 2002 Actual	FY 2003 Target	FY 2004 Target
Percentage of Antidumping or Countervailing Duty Cases Completed on Time	New	New	New	100%	100%	100%	100%
Number of Market Access and Compliance Cases Initiated	New	New	New	New	253	180 to 210	150 to 160
Number of market access and compliance cases concluded	New	New	New	New	New	30 to 40	50 to 60
Dollar Value of Trade Barriers Addressed	New	New	New	New	\$40.2B	\$15B to \$20B	Discontinued
Number of AD/CVD Cases Processed	134	185	136	136	183	Discontinued ⁵	Discontinued
Performance Goal 4: Advance the U.S. international commercial and strategic interest							
	FY 1999 Actual	FY 2000 Actual	FY 2001 Actual	FY 2002 Target	FY 2002 Actual	FY 2003 Target	FY 2004 Target
Dollar Exports in Targeted Products and Markets	New	New	New	\$175B	\$166.3B	\$160B-\$180B	\$160B-\$180B
Performance Goal 5: Improve customer and stakeholder satisfaction⁶							
	FY 1999 Actual	FY 2000 Actual	FY 2001 Actual	FY 2002 Target	FY 2002 Actual	FY 2003 Target	FY 2004 Target
Customer Satisfaction with ITA's Products or Services	New	New	New	New	Not Implemented	66% to 70%	66% to 70%
Customer Perception of Ease of Access to Export and Trade Information and Data	New	New	New	New	Not Implemented	60% to 80%	60% to 80%
Level of Awareness of ITA Products and Services	New	New	New	New	Not Implemented	3.5 mean	3.5 mean
Employee Job Satisfaction	New	New	New	3.5 mean	Not Implemented	3.5 mean	3.5 mean
Number of Customers Acquired through Proactive ITA Efforts	New	New	New	New	Not Implemented	1,000	1,000
Number of U.S. Exporter Activities Undertaken per Customer Surveyed	New	New	New	New	Not Implemented	2	2

⁵ No valid methodology exists to project caseload in future years.

⁶ Data are not available for these measures until a planned survey is conducted in FY 2003

Performance Goal 6: Improve the U.S. competitive advantage through global e-commerce							
	FY 1999 Actual	FY 2000 Actual	FY 2001 Actual	FY 2002 Target	FY 2002 Actual	FY 2003 Target	FY 2004 Target
Number of New Subscribers Using BuyUSA.com E-services	New	New	339	1,500	564	650	715
Customer Perception of Portal Ease of Use	New	New	New	Greater than 50%	84.4%	Greater than 70%	Greater than 70%
Percentage of ITA's Significant Products and Services Provided Electronically to External Customers	New	New	New	50%	Not Implemented ⁷	75% to 80%	85% to 95%

⁷ Data are not available at the time of this publication because data sources are currently under development.

Resource Requirements Summary

(Dollars in Millions. Funding amounts reflect total obligations.)

Information Technology (IT)

Full-Time Equivalent (FTE)

Performance Goal 1: Increase trade opportunities for U.S. firms

	FY 1999 Actual	FY 2000 Actual	FY 2001 Actual	FY 2002 Actual	FY 2003 Estimate	FY 2004 Base	Increase/ Decrease	FY 2004 Request
Trade Development	New	New	18.6	17.2	18.6	19.0	0	19.0
Market Access and Compliance	New	New	1.5	1.9	2.6	2.0	0	2.0
Import Administration	New	New	0	0	0	0	0	0
US&FCS	New	New	73.0	62.4	66.4	65.8	0	65.8
Administration	New	New	0	0	0	0	0	0
Total Funding	New	New	93.1	81.5	87.6	86.8	0	86.8
IT Funding ¹	New	New	7.0	6.6	5.3	7.5	0	7.5
FTE	New	New	563	463	518	522	0	522

Performance Goal 2: Broaden and deepen U.S. exporter base

	FY 1999 Actual	FY 2000 Actual	FY 2001 Actual	FY 2002 Actual	FY 2003 Estimate	FY 2004 Base	Increase/ Decrease	FY 2004 Request
Trade Development	27.4	28.7	17.9	21.4	18.0	18.2	0	18.2
Market Access and Compliance	2.5	2.4	1.5	1.9	2.6	2.0	0	2.0
Import Administration	0	0	0	0	0	0	0	0
US&FCS	88.5	93.1	58.4	52.0	55.4	55.7	0	55.7
Administration	0	0	0	0	0	0	0	0
Total Funding	118.4	124.0	77.8	75.3	76.0	75.9	0	75.9
IT Funding ¹	8.8	8.9	5.9	5.6	4.6	6.4	0	6.4
FTE	900	904	468	424	448	454	0	454

Performance Goal 3: Ensure fair competition in international trade

	FY 1999 Actual	FY 2000 Actual	FY 2001 Actual	FY 2002 Actual	FY 2003 Estimate	FY 2004 Base	Increase/ Decrease	FY 2004 Request
Trade Development	5.4	6.4	6.6	6.9	6.7	6.7	0	6.7

Market Access and Compliance	15.0	17.6	18.6	24.2	32.3	24.6	0	24.6
Import Administration	26.8	31.3	33.0	40.9	46.4	48.7	0	48.7
US&FCS Administration	3.4	4.0	4.1	20.8	22.2	22.3	0	22.3
Total Funding	50.6	59.0	62.3	92.8	107.6	102.3	0	102.3
IT Funding ¹	3.7	3.7	4.9	4.6	6.6	5.3	0	5.3
FTE	376	378	418	571	703	722	0	722

Performance Goal 4: Advance the U.S. international commercial and strategic interest

	FY 1999 Actual	FY 2000 Actual	FY 2001 Actual	FY 2002 Actual	FY 2003 Estimate	FY 2004 Base	Increase/Decrease	FY 2004 Request
Trade Development	21.4	20.8	3.3	9.0	3.4	3.3	0	3.3
Market Access and Compliance	13.6	13.2	2.1	2.7	3.6	2.8	0	2.8
Import Administration	0	0	0	0	0	0	0	0
US&FCS Administration	78.6	84.2	10.4	16.7	17.6	17.8	0	17.8
Total Funding	113.6	110.0	15.8	28.4	24.6	23.9	0	23.9
IT Funding ¹	7.7	7.7	1.2	1.1	1.5	1.3	0	1.3
FTE	770	776	96	157	144	144	0	144

Performance Goal 5: Improve customer and stakeholder satisfaction

	FY 1999 Actual	FY 2000 Actual	FY 2001 Actual	FY 2002 Actual	FY 2003 Estimate	FY 2004 Base	Increase/Decrease	FY 2004 Request
Trade Development	New	New	10.0	12.5	10.0	10.1	0	10.1
Market Access and Compliance	New	New	2.9	3.8	5.1	4.0	0	4.0
Import Administration	New	New	3.9	4.6	5.1	5.4	0	5.4
US&FCS Administration	New	New	31.3	31.3	33.2	33.4	0	33.4
Total Funding	New	New	60.4	65.5	79.7	79.7	3.7	83.4
IT Funding ¹	New	New	4.5	4.2	4.3	4.8	0	4.8
FTE	New	New	436	442	483	484	3	487

Performance Goal 6: Improve the U.S. competitive advantage through global e-commerce

	FY 1999 Actual	FY 2000 Actual	FY 2001 Actual	FY 2002 Actual	FY 2003 Estimate	FY 2004 Base	Increase/Decrease	FY 2004 Request
Trade Development	8.1	8.5	10.0	2.0	9.9	10.2	0	10.2
Market Access and Compliance	2.3	2.5	2.9	3.8	5.1	3.9	0	3.9
Import Administration	1.6	1.6	1.9	0	0	0	0	0
US&FCS Administration	25.6	26.6	31.3	25	26.6	26.9	0	26.9
Total Funding	39.1	41.0	48.3	33.1	46.2	45.8	0	45.8
IT Funding ¹	3.0	3.0	3.7	3.5	3.1	4.0	0	4.0
FTE	314	316	305	198	270	270	0	270

	FY 1999 Actual	FY 2000 Actual	FY 2001 Actual	FY 2002 Actual	FY 2003 Estimate	FY 2004 Base	Increase/Decrease	FY 2004 Request
Grand Total								
Total Funding	321.7	334.0	357.7	376.6	421.7	414.4	3.7	418.1
Direct ³	317.4	325.0	342.2	365.8	385.7	378.4	26.0	382.0
Reimbursable ²	14.3	9.0	15.5	11.1	36.0	36.0	0	36.0
IT Funding ¹	23.2	23.8	27.2	25.6	25.4	29.3	0	29.3
FTE	2,359	2,344	2,286	2,255	2,566	2,596	3	2,599

1) IT funding included in total funding. IT requirements include infrastructure and related mission systems.

2) Reimbursable funding included in total funding.

3) Percentage distribution of funds by performance goal adjusted to reflect the FY 2004 President's Budget Request.

Skill Summary

The following list describes ITA's core competencies:

- (1) In-depth knowledge of international and domestic trade laws and regulations;
- (2) Country and/or industry-sector expertise;
- (3) Specialized knowledge and experience in export marketing and promotion;
- (4) Understanding of foreign trade practices, trade programs and policies;
- (5) In-depth knowledge of trade distorting practices;
- (6) Understanding of key trade issue areas such as intellectual property rights and standards;
- (7) Knowledge of key U.S. Government positions for country/sector specific bilateral, multilateral, and plurilateral trade negotiations;
- (8) Information technology skills -- to deliver services to clients; to identify, analyze, and manage information; and to interface with technology to improve productivity and client service;
- (9) Leadership skills -- to lead and manage ITA's missions and programs;
- (10) Customer service skills -- to improve delivery of service to customers; and
- (11) Project management skills -- to lead and manage projects and contracted work.

Department of Commerce
International Trade Administration
CROSSWALK TABLE FROM SUB-LINE ITEMS TO PERFORMANCE GOALS
(Dollar amounts in thousands)

	FY 03 Estimate	ATB's subtotal	FY 04 Base	FY 04 Increase	FY 04 Request	Percent Split	ATB FTE	FY 03 FTE	FY 04 FTE Base	FY 04 FTE Increase	FY 04 FTE Requirement
Trade Development Total	55,356	1,703	57,059	0	57,059	100%	0	403	403	0	403
<u>Line Item Spread</u>											
Mgt. and Policy Coordination	9,936	346	10,282	0	10,282	18%	0	76	76	0	76
Sectoral Analysis	38,285	1,166	39,451	0	39,451	69%	0	281	281	0	281
Trade and Economic Analysis	7,134	191	7,325	0	7,325	13%	0	46	46	0	46
Line Item Total	55,356	1,703	57,059	0	57,059	100%	0	403	403	0	430
<u>Goal Spread</u>											
Increase Trade Opportunities for U.S. Firms	15,498	426	15,924	0	15,924	28%	0	101	101	0	101
Broaden and Deepen U.S. Exporter Base	14,946	528	15,474	0	15,474	27%	0	125	125	0	125
Ensure Fair Competition in International Trade	5,536	170	5,706	0	5,706	10%	0	40	40	0	40
Advance U.S. International Commercial and Strategic Interest	2,768	221	2,989	0	2,989	5%	0	52	52	0	52
Improve Customer and Stakeholder Satisfaction	8,304	306	8,610	0	8,610	15%	0	73	73	0	73
Improve U.S. Competitive Advantage Through Global E-Commerce	8,304	51	8,355	0	8,355	15%	0	12	12	0	12
Goal Total	55,356	1,703	57,059	0	57,059	100%	0	403	403	0	403
<hr/>											
Market Access and Compliance Total	35,466	1,903	37,369	0	37,369	100%	10	280	290	0	290
<u>Line Item Spread</u>											
Mgt. and Policy Coordination	1,092	36	1,128	0	1,128	3%	0	9	9	0	9
Trade Comp. and Reg. Mkt. Acc.	34,374	1,867	36,241	0	36,241	97%	10	271	281	0	281
Line Item Total	35,466	1,903	37,369	0	37,369	100%	10	280	290	0	290
<u>Goal Spread</u>											
Increase Trade Opportunities for U.S. Firms	1,773	95	1,868	0	1,868	5%	0	14	14	0	14
Broaden and Deepen U.S. Exporter Base	1,773	95	1,868	0	1,868	5%	0	14	14	0	14
Ensure Fair Competition in International Trade	22,343	1,198	23,541	0	23,541	63%	10	176	186	0	186
Advance U.S. International Commercial and Strategic Interest	2,483	133	2,616	0	2,616	7%	0	20	20	0	20
Improve Customer and Stakeholder Satisfaction	3,547	191	3,738	0	3,738	10%	0	28	28	0	28
Improve U.S. Competitive Advantage Through Global E-Commerce	3,547	191	3,738	0	3,738	10%	0	28	28	0	28
Goal Total	35,466	1,903	37,369	0	37,369	100%	10	280	290	0	290
<hr/>											
Import Administration Total	50,972	2,607	53,579	0	53,578	100%	10	396	406	0	406
<u>Line Item Spread</u>											
Import Administration	48,960	2,540	51,500	0	51,500	96%	10	380	390	0	390
Special Import Programs	2,012	67	2,079	0	2,079	4%	0	16	16	0	16
Line Item Total	50,972	2,607	53,579	0	53,579	100%	10	396	406	0	406
<u>Goal Spread</u>											
Ensure Fair Competition in International Trade	45,875	2,346	48,221	0	48,221	90%	10	356	366	0	366
Improve Customer and Stakeholder Satisfaction	5,097	261	5,358	0	5,358	10%	0	40	40	0	40
Goal Total	50,972	2,607	53,579	0	53,579	100%	10	396	406	0	406

	FY 03 Estimate	ATB's subtotal	FY 04 Base	FY 04 Increase	FY 04 Request	Percent Split	ATB FTE	FY 03 FTE	FY 04 FTE Base	FY 04 FTE Increase	FY 04 FTE Requirement
U.S. & Foreign Commercial Service Total	196,644	7,824	204,468	0	204,468	100%	10	1,276	1,286	0	1,286
<u>Line Item Spread</u>											
Programs and Mgt.	16,061	338	16,399	0	16,399	8%	0	84	84	0	84
Domestic Operations	33,130	1,061	34,191	0	34,191	17%	0	325	325	0	325
International Operations	147,453	6,425	153,878	0	153,878	75%	10	867	877	0	877
Line Item Total	196,644	7,824	204,468	0	204,468	100%	10	1,276	1,286	0	1,286

<u>Goal Spread</u>											
Increase Trade Opportunities for U.S. Firms	58,993	2,347	61,340	0	61,340	30%	4	383	387	0	387
Broaden and Deepen U.S. Exporter Base	49,161	1,956	51,117	0	51,117	25%	6	319	325	0	325
Ensure Fair Competition in International Trade	19,664	782	20,446	0	20,446	10%	0	128	128	0	128
Advance U.S. International Commercial and Strategic Interest	15,732	626	16,358	0	16,358	8%	0	102	102	0	102
Improve Customer and Stakeholder Satisfaction	29,497	1,174	30,671	0	30,671	15%	0	191	191	0	191
Improve U.S. Competitive Advantage Through Global E-Commerce	23,597	939	24,536	0	24,536	12%	0	153	153	0	153
Goal Total	196,644	7,824	204,468	0	204,468	100%	10	1,276	1,286	0	1,286

Administration Total	25,240	664	25,903	3,745	29,648	100%	0	162	162	3	165
<u>Line Item Spread</u>											
Exec. Dir	25,240	664	25,904	3,745	29,649	100%	0	162	162	3	165
Admin	0	0	0	0	0	0%	0	0	0	0	0
CIO	0	0	0	0	0	0%	0	0	0	0	0
Line Item Total	25,240	664	25,904	3,745	29,649	100%	0	162	162	3	165

<u>Goal Spread</u>											
Improve Customer and Stakeholder Satisfaction	21,454	564	22,018	3,745	25,763	87%	0	138	138	3	141
Improve U.S. Competitive Advantage Through Global E-Commerce	3,786	100	3,886	0	3,886	13%	0	24	24	0	24
Goal Total	25,240	664	25,904	3,745	29,649	100%	0	162	162	3	165

ITA TOTAL BY GOAL	FY 03 Estimate	ATB's subtotal	FY 04 Base	FY 04 Inc	FY 04 Request	% Split	ATB FTE	FY 03 FTE	FY 04 FTE Base	FY 04 FTE Inc	FY 04 FTE Req
Increase Trade Opportunities for U.S. Firms	76,264	2,868	79,132	0	79,132	21%	4	498	502	0	502
Broaden and Deepen U.S. Exporter Base	65,880	2,579	68,459	0	68,459	18%	6	458	464	0	464
Ensure Fair Competition in International Trade	93,418	4,496	97,914	0	97,914	26%	20	700	720	0	720
Advance U.S. International Commercial and Strategic Interest	20,983	980	21,963	0	21,963	6%	0	174	174	0	174
Improve Customer and Stakeholder Satisfaction	67,899	2,496	70,395	3,745	74,140	19%	0	470	470	3	473
Improve U.S. Competitive Advantage Through Global E-Commerce	39,234	1,281	40,515	0	40,515	11%	0	217	217	0	217
Total	363,678	14,700	378,378	3,745	382,123	100%	30	2,517	2,547	3	2,550

ITA User Fee Study – Status

ITA undertook a study to determine if the fees charged for services provided to America's small and medium-sized enterprises could be increased to the point where the additional funds would be sufficient to underwrite increases in the FY 2003 and future budgets. The study, prepared by KPMG and finalized in January 2003, was not completed in time for the Congress to consider its findings prior to the passage of the FY 2003 appropriation.

One of the most significant study findings, relating directly to the probability of collecting an additional \$10 million in net fee collections to fund new budget initiatives in FY 2003, is that ITA is not, for the most part, charging customers the full cost of producing the products and services that are sold. KPMG found that ITA has been charging customers the marginal cost of producing products and services and has been absorbing the direct salary cost associated with the ITA staff that are producing and distributing the products and services and the associated overhead charges. Before an additional \$10 million could be realized, ITA would need to cover its full production costs. However, the study did identify \$2.8 million in immediately recoverable revenue.

Other findings and recommendations in the KPMG study are:

- ITA is the low cost provider of export promotion services to the exporting community – this compares to what KPMG described as the “boutique” firms that cater to the better-capitalized segment of the export community. KPMG confirmed that ITA focuses on the new to export firms that have a limited ability to pay for export support.
- ITA needs to develop a more sophisticated approach to marketing management to better deliver needed products and services to the SME community at a reasonable cost and in a uniform manner. Improved product and service marketing management could lower production costs, improve product and service penetration in the marketplace, improve access to ITA products and services and foster an environment where the most beneficial products and services are enhanced and others could be combined, modified or eliminated based on customer feedback and cost factors.
- ITA needs to realize greater efficiencies in its organizational and cost structures. This can be accomplished by:
 - Moving toward a more sophisticated accounting and pricing mechanism,
 - Improving its focus on its core products with the goal of developing production and distribution economies, and
 - Developing supplier partnerships in locations where competition would lower costs and improve efficiencies.

ITA is considering the findings of the recently completed KPMG study and will develop an action plan to address the findings and recommendations presented in the study.

ITA's Implementation of the President's Management Agenda

ITA recognizes the significance of implementing the President's Management Agenda and has committed to ensuring that it is accomplished. Under the supervision of the Chief Financial Officer and Director of Administration (CFO&DOA), key tasks to support implementation of improvement opportunities were identified, and are described below. These initiatives will not only enable ITA to improve its management and operations, but will help to make ITA an organization that reflects best practices in government and from the private sector.

Budget and Performance Integration

ITA's current budget and performance management integration efforts include the implementation of a newly defined set of outcome-oriented performance measures, as well as tracking and reporting performance in a network-based performance management data reporting system utilizing a software application called "Panorama Business (PB) Views." The FY 2004 Budget submission represents a significant step forward in more tightly integrating ITA's budget and programs with its strategic goals and objectives while ITA continues to refine its performance measures. For the first time, the budget arrays all of ITA's resources according to the performance goals they support. This makes it much easier to determine the level of investment ITA applies to its various goals, and the outcomes and results achieved because of that investment.

Strategic Management of Human Capital

ITA prepared a workforce-restructuring plan that outlines specific strategies to accomplish the objectives of the President's Management Agenda. ITA identified specific actions to reduce the time it takes to make decisions, increase the span of control, and redirect staff to service-delivery positions to flatten the organization. The ITA workforce-restructuring plan includes strong succession, recruitment, retention, and training plans designed to ensure that we attract and retain the critical skills needed to support the ITA mission, goals, and objectives. We are continuing to refine our retention, succession, and training plans to address the possible gap in leadership skills that may occur if a large number of eligible senior employees retire over the next five years.

Competitive Sourcing

The President's competitive sourcing initiative and the Department's competitive sourcing management plan requires ITA to conduct cost comparisons of 10% of its FY 2002 commercial inventory. ITA has initiated efforts to:

- Develop a strategy and develop a competitive sourcing management plan to assure full implementation of the ITA competitive sourcing initiative for FY 2002 – FY 2004;
- Train and orient ITA managers on competitive sourcing and provide a broad orientation –type of overview on this subject for ITA managers; and
- Offer technical assistance and limited ongoing analysis and staff support to carry out the competitive sourcing management plan.

Improved Financial Performance

ITA has taken several steps to improve its financial performance. ITA develops new reports to evaluate financial data and inform ITA managers about program finances. ITA issues a monthly financial analysis, which enables managers to understand planned versus actual spending patterns. Financial variance analysis assists managers in using their resources in a more effective manner. ITA also gathers data from the National Business Center in Denver to establish baseline data and evaluate late and erroneous payments. Additionally, ITA maintains performance data, which indicate the overall performance of ITA financial management through the "clean audit" performance measure. ITA is currently revamping its financial coding system to reduce errors and capture better information to enhance cost-related performance data.

Expanded E-Government

ITA believes that E-Government is one of our most important tools to address customer demand, improve customer service, and enhance governmental efficiency through the use of information technology. ITA has initiated a program to unify its IT infrastructure, both internally and externally. Also, ITA is actively simplifying business processes to build a more effective foundation for transacting business electronically with the American public (Government to Citizen); with U.S. businesses (Government to Business); with other governments (Government to Government); and within ITA and other Federal agencies (Internal Efficiency and Effectiveness). ITA's effort to create a more customer-centric and user-friendly web presence is evident through our trade portal, Export.gov. In FY 2003, our customer perception of portal ease of use exceeded 80%, comparable to "best in class" business benchmarks. ITA will continue to focus and improve Export.gov.

GEOGRAPHIC DISTRIBUTION OF ITA'S COMPLIANCE FTE

This table show the distribution, by geographic location, of FY2002 expenditures and FTE in ITA that have been devoted to the compliance function.

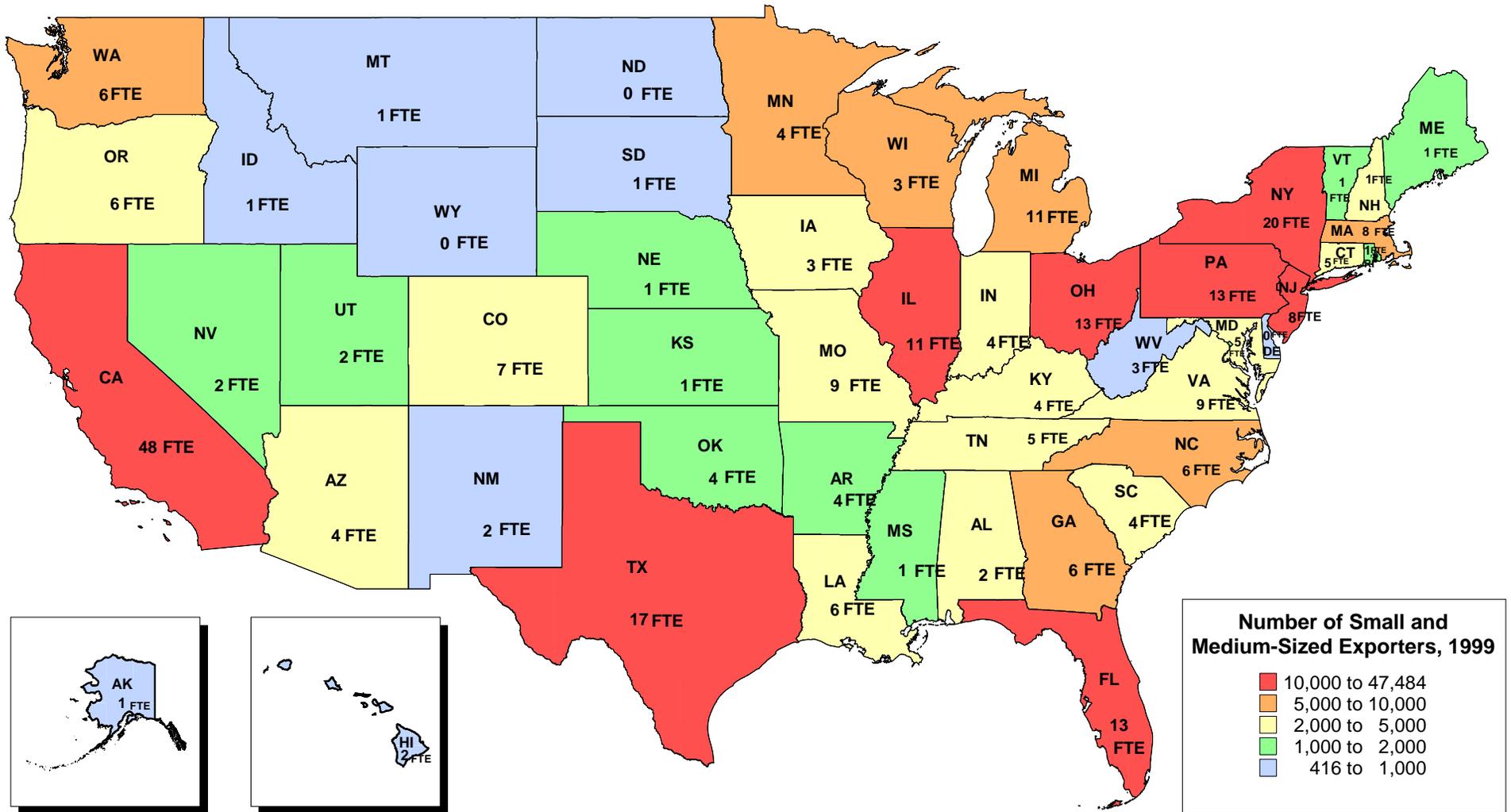
		<i>China</i>	<i>Japan</i>	<i>South Korea</i>	<i>EU/Western Europe</i>	<i>Africa</i>	<i>Western Hemisphere</i>	<i>Other¹</i>	<i>HQ/Domestic Operations</i>	<i>TOTAL</i>
MAC	\$ (K)	186	70	0	355	0	0	0	16,440	17,051
	FTE	0.0	0.0	0.0	1.1	0.0	0.0	0.0	159.2	160.3
IA	\$ (K)	382	0	188	214	0	0	0	33,909	34,693
	FTE	0.5	0.0	0.0	0.6	0.0	0.0	0.0	307.7	308.8
USFCS	\$ (K)	2,947	1,478	854	4,306	731	3,660	5,491	6,128	25,596
	FTE ²	28.7	11.2	8.7	15.3	2.0	20.2	18.1	41.4	145.6
TD	\$ (K)	0	0	0	0	0	0	0	4,802	4,802
	FTE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	48.8	48.8
ITA Total	\$ (K)	3,515	1,549	1,042	4,875	731	3,660	5,491	61,278	82,142
	FTE	29.2	11.2	8.7	17.1	2.0	20.2	18.1	557.1	663.5

1. "Other" refers to remaining countries in Asia, Middle East and Eastern Europe

2. Foreign Service National (FSN) employee FTE is estimated as data on actual hours worked is not reported to ITA.

FIFTEEN STATES EACH HAVE MORE THAN 5,000 SME EXPORTERS

Small and Medium-Sized Enterprises (SMEs) Exporting Merchandise and ITA Domestic Field Staffing by State



Notes: Small and medium-sized enterprises (SMEs) have fewer than 500 employees. Each state is labeled with the number of ITA's full time equivalent (FTE) domestic field staff located in that state. Not included are administrative staff, headquarters staff stationed in the field, and Personal Service Contractors (PSC).

Also not included is Puerto Rico which employs one FTE.

Source: U.S. Census Bureau, 1999 Exporter Data Base

Prepared by: Office of Trade and Economic Analysis, International Trade Administration, U.S. Department of Commerce

ITA's OVERSEAS OFFICES

As of 01/07/03

COUNTRY	OFFICE	COUNTRY	OFFICE	COUNTRY	OFFICE
Algeria	Algiers	Japan	Tokyo	China	Beijing
Cote d'Ivoire	Abidjan	Japan	Sapporo	China	Chengdu
Cote d'Ivoire	AFDB, Abdijan	Korea	Seoul	China	Guangzhou
Egypt	Alexandria	Malaysia	Kuala Lumpur	China	Shenyang
Egypt	Cairo	New Zealand	Auckland	SAR	Hong Kong
Ghana	Accra	New Zealand	Wellington	Indonesia	Jakarta
India	Bangalore	Philippines	Manila	Japan	Fukuoka
India	Ahmedabad	Philippines	ADB, Manila	Japan	Nagoya
India	Calcutta	Singapore	Singapore	Italy	Florence
India	Chennai	Taiwan	Taipei	Italy	Milan
India	Hyderabad	Taiwan	Kaoshiung	Italy	Naples
India	Mumbai	Thailand	Bangkok	Italy	Rome
India	New Delhi	Vietnam	Hanoi	Kazakstan	Almaty
Israel	Jerusalem	Vietnam	Ho Chi Minh City	Latvia	Riga
Israel	Tel Aviv	Armenia	Yerevan	Netherlands	Amsterdam
Jordan	Amman	Austria	Vienna	Netherlands	The Hague
Kenya	Nairobi	Azerbaijan	Baku	Norway	Oslo
Kuwait	Kuwait City	Belarus	Minsk	Poland	Warsaw
Lebanon	Beruit	Belgium	Brussels	Portugal	Lisbon
Morocco	Casablanca	Belgium	USEU, Brussels	Portugal	Oporto
Morocco	Rabat	Bulgaria	Sofia	Romania	Bucharest
Nigeria	Lagos	Croatia	Zagreb	Russia	Moscow
Pakistan	Islamabad	Czech Republic	Prague	Russia	St. Petersburg
Pakistan	Karachi	Denmark	Copenhagen	Russia	Vladivostok
Pakistan	Lahore	Finland	Helsinki	Russia	Yekaterinburg
Saudi Arabia	Dhahran	France	Lyon	Slovak Republic	Bratislava
Saudi Arabia	Jeddah	France	Marseilles	Spain	Barcelona
Saudi Arabia	Riyadh	France	Paris	France	OECD, Paris
South Africa	Cape Town	France	Strasbourg	Germany	Berlin
South Africa	Durban	France	Toulouse	Germany	Dusseldorf
South Africa	Johannesburg	Australia	Melbourne	Germany	Frankfurt
UAE	Abu Dhabi	Australia	Sydney	Germany	Hamburg
UAE	Dubai	Australia	Brisbane	Germany	Leipzig
Japan	Osaka-Kobe	China	Shanghai	Germany	Munich

ITA's OVERSEAS OFFICES

As of 01/07/03

COUNTRY	OFFICE	COUNTRY	OFFICE
Greece	Athens	Uzbekistan	Tashkent
Greece	Thessaloniki	Yugoslavia	Belgrade
Hungary	Budapest	Argentina	Buenos Aires
Ireland	Dublin	Barbados	Bridgetown
UK (Ireland, N.)	Belfast	Brazil	Belo Horizonte
Colombia	Bogota	Brazil	Brasilia
Costa Rica	San Jose	Brazil	Sao Paulo
Dominican Rep	Santo Domingo	Brazil	Porto Allegre
Ecuador	Guayaquil	Brazil	Rio de Janeiro
Ecuador	Quito	Canada	Calgary
Guatemala	Guatemala City	Canada	Halifax
Haiti	Port-Au-Prince	Canada	Montreal
Honduras	Tegucigalpa	Canada	Ottawa
Jamaica	Kingston	Canada	Toronto
Mexico	Guadalajara	Canada	Vancouver
Mexico	Mexico City	Chile	Santiago
Mexico	Monterrey		
Mexico	Tijuana		
Panama	Panama City		
Peru	Lima		
Trinidad/Tobago	Port of Spain		
Uruguay	Montevideo		
Venezuela	Caracas		
Spain	Madrid		
Sweden	Stockholm		
Switzerland	Bern		
Switzerland	Geneva		
Switzerland	Zurich		
Turkey	Ankara		
Turkey	Istanbul		
Turkey	Izmir		
Ukraine	Kiev		
United Kingdom	London		
United Kingdom	EBRD, London		

Department of Commerce
International Trade Administration
Operations and Administration
SUMMARY OF RESOURCE REQUIREMENTS
(Dollar amounts in thousands)

Page No.		Positions	FTE	Request	Direct	Budget
					Obligations	Authority
ITA-35	FY 2003 Estimate	2,780	2,517	363,678	363,678	363,678
	less: Obligations from prior years	0	0	0	0	0
	plus: 2004 Adjustments-to-Base	0	30	14,700	14,700	14,700
	FY 2004 Base	2,780	2,547	378,378	378,378	378,378
	plus: FY 2004 Program Changes	4	3	3,745	3,745	3,745
	Total FY 2004 Estimate	2,784	2,550	382,123	382,123	382,123

Comparison by activity/subactivity		2002		2003		2004		2004		Increase/		
		Actual		Estimate		Base		Estimate		(Decrease)		
		Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	
ITA-71	Trade Development	Pos./BA.	452	67,334	452	55,356	452	57,209	452	57,209	0	0
		FTE/Obl.	371	68,173	403	56,049	403	57,209	403	57,209	0	0
ITA-103	Market Access and Compliance	Pos./BA.	267	37,747	316	35,466	316	37,250	316	37,250	0	0
		FTE/Obl.	211	38,134	280	49,656	290	37,250	290	37,250	0	0
ITA-109	Import Administration	Pos./BA.	393	43,324	444	50,972	444	53,437	444	53,437	0	0
		FTE/Obl.	313	45,551	396	51,279	406	53,437	406	53,437	0	0
ITA-115	US & Foreign Commercial Service	Pos./BA.	1,398	193,991	1,406	196,644	1,406	204,518	1,406	204,518	0	0
		FTE/Obl.	1,191	200,673	1,276	203,279	1,286	204,518	1,286	204,518	0	0
ITA-135	Executive Direction/Administration	Pos./BA.	144	12,993	162	25,240	162	25,964	166	29,709	4	3,745
		FTE/Obl.	143	13,312	162	25,433	162	25,964	165	29,709	3	3,745
	TOTALS	Pos./BA.	2,654	355,389	2,780	363,678	2,780	378,378	2,784	382,123	4	3,745
		FTE/Obl.	2,230	365,843	2,517	385,696	2,547	378,378	2,550	382,123	3	3,745
	Adjustments for:											
	Recoveries			(7,016)	0	0	0	0	0	0	0	0
	Unobligated balance, start of year			(25,557)	(22,018)	0	0	0	0	0	0	0
	Unobligated balance, transferred			0	0	0	0	0	0	0	0	0
	Unobligated balance, end of year (expiring)			101	0	0	0	0	0	0	0	0
	Unobligated balance, end of year			22,018	0	0	0	0	0	0	0	0
	Financing from:											
	Transfers to other accounts			0	0	0	0	0	0	0	0	0
	Transfers from other accounts			(10,020)	0	0	0	0	0	0	0	0
	Net Appropriation			345,369	363,677	378,378	378,378	382,123	382,123	382,123	3,745	3,745
	Full Funding of Federal Employees Retirement Costs			9,581	13,502	13,199	13,199	13,199	13,199	13,199		

Notes:

1. FY 2003 and FY 2004 base and estimate figures reflect internal transfers of ITA information technology resources from program subactivities into the Office of the Chief Information Officer in the Executive Direction/Administration subactivity.
2. Total Budget Authority excludes additional fees (3,000 in FY 2002, 13,000 in FY 2003, and 13,000 in FY 2004) which are reflected in Exhibit 6, Summary of Reimbursable Obligations.

Department of Commerce
International Trade Administration
Operations and Administration
SUMMARY OF FUNDING REQUIREMENTS (INCLUDING ADDITIONAL FEE COLLECTIONS)
(Dollar amounts in thousands)

Page
No.
ITA-29

Comparison by activity/subactivity			2002		2003		2004		2004		Increase/ (Decrease)		
			Actual		Estimate		Base		Estimate		Personnel	Amount	
			Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	
ITA-43	Trade Development	Pos./Avail.	452	67,634	452	63,156	452	65,009	452	65,009	0	0	
		FTE/Obl.	371	68,173	403	63,849	403	65,009	403	65,009	0	0	
ITA-53	Market Access and Compliance	Pos./Avail.	267	37,747	316	36,316	316	38,100	316	38,100	0	0	
		FTE/Obl.	211	38,134	280	50,506	290	38,100	290	38,100	0	0	
ITA-59	Import Administration	Pos./Avail.	393	43,324	444	50,972	444	53,437	444	53,437	0	0	
		FTE/Obl.	313	45,551	396	51,279	406	53,437	406	53,437	0	0	
ITA-65	US & Foreign Commercial Service	Pos./Avail.	1,398	196,691	1,406	200,994	1,406	208,868	1,406	208,868	0	0	
		FTE/Obl.	1,191	200,673	1,276	207,629	1,286	208,868	1,286	208,868	0	0	
ITA-73	Executive Direction/Administration	Pos./Avail.	144	12,993	162	25,240	162	25,964	166	29,709	4	3,745	
		FTE/Obl.	143	13,312	162	25,433	162	25,964	165	29,709	3	3,745	
TOTALS			Pos./Avail.	2,654	358,389	2,780	376,678	2,780	391,378	2,784	395,123	4	3,745
			FTE/Obl.	2,230	365,843	2,517	398,696	2,547	391,378	2,550	395,123	3	3,745
Adjustments for:													
Recoveries				(7,016)		0		0		0		0	
Unobligated balance, start of year				(25,557)		(22,018)		0		0		0	
Unobligated balance, transferred				0		0		0		0		0	
Unobligated balance, end of year (expiring)				101									
Unobligated balance, end of year				22,018		0		0		0		0	
Financing from:													
Transfers to other accounts				0									
Transfers from other accounts				(10,020)		0		0		0		0	
Net Appropriation				345,369		376,678		391,378		395,123		3,745	
Full Funding of Federal Employees Retirement Costs				9,581		13,502		13,199		13,199			

Notes:

1. FY 2003 and FY 2004 base and estimate figures reflect internal transfers of ITA information technology resources from program subactivities into the Office of the Chief Information Officer in the Executive Direction/Administration subactivity.
2. Total Availability includes additional fees (3,000 in FY 2002, 13,000 in FY 2003, and 13,000 in FY 2004).

**DEPARTMENT OF COMMERCE
INTERNATIONAL TRADE ADMINISTRATION
OPERATIONS AND ADMINISTRATION
SUMMARY OF REIMBURSABLE OBLIGATIONS
(Dollar amounts in thousands)**

Comparison by activity/subactivity	FY 2002 Actual		FY 2003 Estimate		FY 2004 Base		FY 2004 Estimate		Increase/ (Decrease)	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
<u>Trade Development:</u>	0	990	0	10,400	0	10,400	0	10,400	0	0
<u>Market Access and Compliance:</u>	0	(192)	0	1,650	0	1,650	0	1,650	0	0
<u>Import Administration:</u>	0	5	1	300	1	300	1	300	0	0
<u>US & Foreign Commercial Service</u>	2	7,957	25	18,150	25	18,150	25	18,150	0	0
<u>Executive Direction/Administration</u>	23	2,357	23	5,500	23	5,500	23	5,500	0	0
Reimbursable Obligations Total:	25	11,117	49	36,000	49	36,000	49	36,000	0	0

**Department of Commerce
International Trade Administration
Operations and Administration
SUMMARY OF RESOURCE REQUIREMENTS
(Dollar amounts in thousands)**

	2002		2003		2004		2004		Increase/ (Decrease)	
	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount
Total Obligations	2,230	376,960	2,517	421,696	2,547	414,378	2,550	418,123	3	3,745
Financing:										
Offsetting collections from:										
Federal funds		(2,368)		(4,650)		(4,650)		(4,650)	0	0
Trust funds		0		0		0		0	0	0
Non-Federal funds, fee collections		(8,749)		(31,350)		(31,350)		(31,350)	0	0
Recoveries		(7,016)				0		0	0	0
Unobligated balance, start of year		(25,557)		(22,018)		0		0	0	0
Unobligated balance, transferred		0		0		0		0	0	0
Unobligated balance, end of year, (expiring)		101								
Unobligated balance, end of year		22,018		0		0		0	0	0
Unobligated balance lapsing				0		0		0	0	0
Budget Authority	2,230	355,389	2,517	363,678	2,547	378,378	2,550	382,123	3	3,745
Financing:										
Transferred to other accounts				0		0		0		0
Transferred from other accounts		-10,020		0		0		0		0
Appropriation	2,230	345,369	2,517	363,678	2,547	378,378	2,550	382,123	3	3,745

**Department of Commerce
International Trade Administration
Operations and Administration
Adjustments-To-Base
(Dollar amounts in thousands)**

Adjustments:

	<u>FTE</u>	<u>Amount</u>
CFO Contract Audit transfer from IG	0	179
 <u>Other Changes:</u>		
2003 Pay Raise	0	992
2004 Pay raise	0	2,243
Payment to the Working Capital Fund	0	153
Full Year costs in 2004 of positions financed for part year in 2003	30	2,481
One more Compensible Day	0	659
Within-grade step increases	0	1,542
Civil Service Retirement System (CSRS)	0	(334)
Federal Employees Retirement System (FERS)	0	511
Thrift Saving Plan (TSP)	0	81
Federal Insurance Contributions Act (FICA)- OASDI	0	168
Health Insurance	0	972
Employee's Compensation Fund	0	201
Travel:		
Mileage	0	19
Security Service Fee	0	28
Transportation of things	0	29
Rental payments to GSA	0	533
Rental payments to others	0	96
Other Services:		
Working Capital Fund	0	1,249
Commerce Administrative Management System	0	0
NARA Storage Costs	0	3
Overseas wage increases FY 2002	0	820
Overseas price increases FY 2001	0	193
General Pricing Level Adjustment:		
Communications, utilities, and miscellaneous changes	0	5
Postage	0	62
Printing and reproduction	0	40
Other services	0	585
Supplies and materials	0	41
Equipment	0	62
International Cooperative Administrative Support Services	0	3,398
Tourism Industries Data Collection	0	30
Subtotal, Other Changes	30	16,862
Less Amount Absorbed	0	(2,341)
Total, other costs changes	30	14,521
Total, adjustments-to-base	30	14,700

**Department of Commerce
International Trade Administration
Operations and Administration
Justification of Adjustments-to-Base
(Dollar amounts in thousands)**

Adjustments:

	<u>FTE</u>	<u>Amount</u>
CFO Contract Audit transfer from IG	0	179

Changes:

<u>Pay Raises</u>		3,388
Full-year cost of 2003 pay increase and related costs:		
The 2003 President's budget assumes a pay raise effective January, 2003		
Total cost in 2004 of 2003 pay raise.....	3,969,000	
Less amount funded in 2003.....	(2,977,000)	
Less amount absorbed.....	<u>0</u>	
Amount requested in 2004 to provide full-year costs of 2003 pay increase.....	992,000	
Payment to Working Capital Fund.....	<u>0</u>	
Total adjustment for 2003 pay increase.....	992,000	
A general pay raise of 2.0% is assumed to be effective January 1, 2004		
Total cost of 2004 of pay increase.....	2,243,000	
Less amount absorbed in FY 2004.....	0	
Amount requested for FY 2004 pay increase.....	2,243,000	
Payment to Working Capital Fund.....	153,000	
Total, adjustment for 2004 pay increase	3,388,000	

Full-year cost in 2004 of positions financed for part-year in 2003

30 2,481

An increase of \$1,751,000 is required to fund the full-year in 2004 of positions financed for part-year in 2003.

The computation follows:

Annual salary of new positions in 2003.....	126	7,794,877
2003 Pay raise	0	197,315
Less 5 percent lapse.....	-6	-399,610
Full year cost of personnel compensation in 2003.....	120	7,592,582
Less personnel compensation in 2003.....	-90	<u>-5,725,742</u>
Subtotal personnel compensation.....	30	1,866,841
2003 pay raise 3/4 of year.....		45,466
Benefits.....		568,996
Total adjustments to base.....		2,481,303

	<u>FTE</u>	<u>Amount</u>
<u>Within-grade step increase</u>	0	1,542
<p>An increase of \$1,580,000 is required to cover the cost of within-grade step increases. This estimate reflects the net cost of step increases including merit pay increases which will be earned in 2004.</p>		
<p>GS/GM:</p>		
Estimated number of within-grade step increases	916	
Step increases not earned due to turnover (13.100% X 916).....	120	
Average step above step 1 per separation.....	3	
Average cost per scheduled within-grade step increases.....	1,903	
Gross cost of scheduled step increases (\$1,903 X 916)	1,743,148	
Less savings due to separations (\$1,903 X 120 X 3).....	<u>-685,080</u>	
Subtotal, personnel compensation	1,058,068	
Benefits.....	<u>180,562</u>	
Total, adjustment-to-base GS/GM	1,238,630	
<p>Foreign Service:</p>		
Estimated number of within-grade step increases.....	118	
Step increases not earned due to turnover (1.5% X 118).....	2	
Average step above step 1 per separation.....	3	
Average cost per scheduled within-grade increases	2,186	
Gross cost of scheduled step increases (\$2,186 X 118).....	257,948	
Less savings due to separations (\$2,186 X 2 X 3).....	<u>-13,116</u>	
Subtotal, personnel compensation	244,832	
Benefits.....	<u>58,038</u>	
Total, Adjustments-to-Base Foreign Service	302,870	
Total, adjustment-to-base within-grade step increases	1,541,500	

One More Compensable Day in FY 2004

0 659

The increased cost of one more compensable day in 2004 compared to 2003 is calculated by dividing the 2003 estimated personnel compensation (\$150,549,000) and applicable benefits (\$21,522,000) by 261 compensable days. The cost increase of one more compensable day is \$659,276.

FTE **Amount**

Civil Service Retirement System (CSRS)

0 (334)

The number of employees covered by the Civil Service Retirement System (CSRS) continues to drop as positions become vacant and are filled by employees who are covered by the Federal Employees Retirement System (FERS). The estimated percentage of payroll for employees covered by CSRS will drop from 30.7% in 2003 to 27.5% in 2004 for regular and foreign service employees. Contribution rates will be 7.00% for regular employees and 7.00% for foreign service employees.

Regular:

2004 \$101,132,000 X .275 X .0700..... 1,946,791

2003 \$101,132,000 X .307 X .0713..... 2,213,688

Subtotal -266,897

Foreign Service:

2004 \$25,285,000 X .275 X .0851..... 486,736

2003 \$ 25,285,000 X .307 X .0851..... 553,466

Subtotal -66,730

Total adjustment to base -333,627

	<u>FTE</u>	<u>Amount</u>
<u>Federal Employees Retirement System (FERS)</u>	0	511
<p>The number of employees covered by FERS continues to rise as employees covered by CSRS leave and are replaced by employees covered by FERS. The estimated percentage of payroll for employees covered by FERS will rise from 68.3% in 2003 to 71.50% in 2004 for regular and foreign service employees. The contribution rate will be 10.7% in 2004 for regular employees. For Foreign service employees, the contribution rate will be 20.34% in 2004.</p>		
Regular:		
2004 \$101,132,000 X .7150 X .107.....	7,737,104	
2003 \$101,132,000 X .683 X .107.....	<u>7,390,828</u>	
Subtotal	346,276	
Foreign Service:		
2004 \$25,285,000 X .7150 X .2034.....	3,677,223	
2003 \$25,285,000 X .683 X .2034.....	<u>3,512,648</u>	
Subtotal	164,575	
Total adjustment to base	510,851	
<u>Thrift Savings Plan (TSP)</u>	0	81
<p>The cost of agency contributions to the Thrift Savings Plan will also rise as FERS participation increases. The contribution rate is expected to remain at 2%.</p>		
Regular:		
2004 \$101,132,000 X .715 X .02.....	1,446,188	
2003 \$101,132,000 X .683 X .02.....	<u>1,381,463</u>	
Subtotal, EXEC/SES/GS:	64,725	
Foreign Service:		
2004 \$25,285,000 X .715 X .02.....	361,576	
2003 \$25,285,000 X .683 X .02.....	<u>345,393</u>	
Subtotal, EXEC/SES/GS:	16,183	
Total adjustment to base	80,908	
<u>Federal Insurance Contribution Act (FICA)</u>	0	168
<p>As the percentage of payroll covered by FERS rises, the cost of OASDI contributions will increase. In addition, the maximum salary subject to OASDI tax will rise from \$87,750 in 2003 to \$91,725 in 2004. The contribution rate will remain 6.2% in 2004</p>		
Regular:		
2004 \$95,219,000 X .715 X .9790 X .062.....	4,132,416	
2003 \$95,219,000 X .683 X .9920 X .062.....	<u>3,999,887</u>	
Subtotal	132,529	
Foreign Service:		

2004 \$23,314,000 X .715 X .9220 X .062.....	952,896
2003 \$23,314,000 X .683 X .9240 X .062.....	<u>912,223</u>
Subtotal	40,673
Other than Permanent; Regular Salaries	
2003 \$5,913,000 X .979 X .620.....	358,907
2002 \$5,913,000 X .9920 X .620.....	<u>363,673</u>
	-4,766
Other Salaries Fgn. Service	
2003 \$1,971,000 X .9220 X .620.....	112,670
2002 \$1,971,000 X .9240 X .620.....	<u>112,915</u>
	-245
 Total adjustment to Base	 168,191

	<u>FTE</u>	<u>Amount</u>
<u>Health Insurance</u>	0	972
<p>This bureau's contribution to Federal employees' health benefits increased by an average rate of 12.7% Applied against the 2003 estimate of \$7,651,000, the request increased by \$971,677.</p>		
<u>Employees Compensation Fund</u>	0	201
<p>The Employee's Compensation Fund bill for the year ending June 30, 2001 is \$201,000 higher than the bill for June 30, 2000. The changes will be reimbursed to the Department of Labor pursuant to 5 U.S.C 8147.</p>		
<u>Postage (U.S.P.S.)</u>	0	62
<p>The Governors of the Postal Service approved a rate increase 8.8%. This rate was applied to the FY 2003 estimate of \$709,000 resulting in an increase of \$ 62,392.</p>		
<u>GPO Printing</u>	0	40
<p>GPO has provided an estimated rate increase of 1.5%. This percentage was applied to the 2003 domestic printing estimate of \$2,691,000 to arrive at an increase of \$40,365.</p>		
<u>Rental Payments to GSA</u>	0	533
<p>A \$533,190 increase reflects an anticipated rate increase of 3.0% over the FY 2003 cost for GSA rent from the General Services Administration. This percentage was applied to the base estimate of \$17,773,000.</p>		
<u>National Archives and Records Administration</u>	0	3
<p>A increase of \$3,000 is requested to fund ITA's costs for the National Archives and Records Administration storage costs.</p>		
<u>Travel (Mileage)</u>	0	19
<p>A rate increase of 5.8% is applied to the base of \$325,000 to produce a required adjustment of \$18,890.</p>		

	<u>FTE</u>	<u>Amount</u>
<u>Security Service Fee</u> The Passenger Civil Aviation Security Service fee, levied by the Transportation Security Administration and mandated by Public Law 107-71, is imposed on all tickets issued for commercial air transportation originating at U.S. airports, effective February 1, 2002. These funds will accommodate the added security measures implemented nation-wide as a result of the September 11, 2001 terrorist attacks.	0	28
<u>Overseas Wage Increases FY 2004</u> The FSN salary increase is for wage adjustments in 64 countries based on calculations using econometric forecasting methodology. The FY 2002 fiscal plan amounts for each country are determined. Econometric forecasting is then utilized to determine two components by country: A) the percentage change in wages; and B) the forecasting of FY 2003 and FY 2004 exchange rates. This data is then covered into an anticipated percentage increase factor for wages. In cases where data is unavailable, historical information is utilized to obtain a percentage factor. Once percentage factors are chosen for each country, the total \$820,000 is utilized as the anticipated adjustment to base. Step 1: Fiscal Plan FSN wages are calculated including benefits Step 2: Econometric modeling determines: A: Percentage increase in wages; and B: Forecast of FY 2003 and FY 2004 exchange rates. Step 3: Econometric modeling utilizing the data above determines a percentage factor to forecast an adjustment to base for FY 2004. Adjustment to Base Overseas Wage Increase for 2004 of \$820,000.	0	820
<u>Overseas Price Increase FY 2004</u> The overseas price increase is based on anticipated overseas price increases in 2004 of the countries in which ITA conducts operations. The percentages used were obtained via the same methodology outlined for the Foreign Service Nationals Wage increases. Step 1: Fiscal Plan increases for Other Objects, ICASS, Temporary Living Allowances, and U.S. Allowances are calculated. Step 2: Econometric modeling using the data determines a percentage factor to forecast an adjustment to base for FY 2004. A: Percentage increase in prices; and B: Forecast of FY 2003 and FY 2004 exchange rates. Step 3: Econometric modeling using the data determines a percentage factor to forecast an adjustment to base for FY 2004. Adjustment to Base Overseas Price Increases for 2004 of \$193,000.	0	193
<u>Working Capital Fund</u> An increase of \$1,249,000 is required to fund cost increases in the Department working capital fund to maintain the current level of operations	0	1,249
<u>General Pricing Level Adjustment</u> This request applies OMB economic assumptions for 2004 to sub-object classes where the prices that the Government pays are established through	0	818

the market system. Factors are applied rental payment to other (\$96,000); to transportation of things (\$29,100); communications, utilities, and miscellaneous charges (excluding postage) (\$5,196); other services excluding DOC's GA and WCF Payments) (\$ 584,604); Supplies and materials (\$40,596) and; equipment (\$61,548). The total 2003 ATB requested is \$818,044.

<u>International Cooperative Administrative Support Services</u>	0	3,398
The support charges for the overseas operations is estimated to be \$3,398,000 for the FY 2004 budget		
<u>Tourism Industries Data Collection</u>	0	30
Each year within the Tourism programs, ITA provides information related to the Industry. The same level of information is provided each year but, the costs of providing the information increases with each year. The increase amount out paces the General Price Level and amounts to approximately an additional 4% increase each year. An adjustment-to-base of \$30,000 is requested to maintain the current level of service.		
Subtotal, other changes	<u>30</u>	<u>16,862</u>
Less: Adjustment-to-base absorbed	<u>0</u>	<u>(2,341)</u>
Subtotal, other costs changes	30	14,521
Total, adjustments-to-base	<u><u>30</u></u>	<u><u>14,700</u></u>

**DEPARTMENT OF COMMERCE
INTERNATIONAL TRADE ADMINISTRATION
OPERATIONS AND ADMINISTRATION
PROGRAM AND PERFORMANCE: DIRECT OBLIGATIONS
(Dollar amounts in thousands)**

Activity: International Trade Administration
Subactivity: Trade Development

		2002		2003		2004		2004		Increase/ (Decrease)	
		Actual		Estimate		Base		Estimate		Personnel	Amount
		Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount		
Performance Goal											
Increase Trade Opportunities for U.S. Firms	Pos./BA	113	18,828	113	13,839	113	16,019	113	16,019	0	0
	FTE/OBL.	93	17,043	101	14,012	101	16,019	101	16,019	0	0
Broaden and Deepen U.S. Exporter Base	Pos./BA	141	18,190	140	17,160	140	15,446	140	15,446	0	0
	FTE/OBL.	113	21,134	124	17,375	125	15,446	125	15,446	0	0
Ensure Fair Competition in International Trade	Pos./BA	45	6,737	45	5,536	45	5,721	45	5,721	0	0
	FTE/OBL.	37	6,817	40	5,605	40	5,721	40	5,721	0	0
Advance U.S. International Commercial and Strategic Interest	Pos./BA	59	3,368	59	7,196	59	2,860	59	2,860	0	0
	FTE/OBL.	48	8,863	52	7,286	52	2,860	52	2,860	0	0
Improve Customer and Stakeholder Satisfaction	Pos./BA	81	10,106	81	9,964	81	8,581	81	8,581	0	0
	FTE/OBL.	67	12,271	73	10,089	73	8,581	73	8,581	0	0
Improve U.S. Competitive Advantage Through Global E-Commerce	Pos./BA	14	10,106	14	1,661	14	8,581	14	8,581	0	0
	FTE/OBL.	12	2,045	12	1,682	12	8,581	12	8,581	0	0
Direct Obligations											
	Pos./BA	452	67,334	452	55,356	452	57,209	452	57,209	0	0
	FTE/OBL.	371	68,173	403	56,049	403	57,209	403	57,209	0	0

**DEPARTMENT OF COMMERCE
INTERNATIONAL TRADE ADMINISTRATION
OPERATIONS AND ADMINISTRATION
PROGRAM AND PERFORMANCE: REIMBURSABLE OBLIGATIONS
(Dollar amounts in thousands)**

Activity: International Trade Administration

		FY 2002		FY 2003		FY 2004		FY 2004		Increase/ (Decrease)	
		Actual		Estimate		Base		Estimate			
<u>Trade Development</u>		FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
		0	990	0	10,400	0	10,400	0	10,400	0	0

**Department of Commerce
International Trade Administration
Operations and Administration
JUSTIFICATION OF PROGRAM AND PERFORMANCE
TRADE DEVELOPMENT**

Department of Commerce Goal: *Provide Information and Framework to Enable Economy to Operate Efficiently and Equitably*

Trade Development Goals & Objectives for FY 2004:

Trade Development (TD) is dedicated to enhancing the global competitiveness of U.S. industry, expanding its market access, and increasing its exports. TD's unique relationship with, and knowledge of, U.S. industries enables ITA to shape and implement trade policy and conduct strategic research analysis, advocacy, and export promotion to advance U.S. industry's interests in the international marketplace.

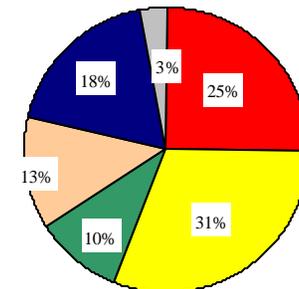
ITA/TD Performance Goals:

- Increase Trade Opportunities for U.S. Firms
- Broaden and Deepen U.S. Exporter Base
- Ensure Fair Competition in International Trade
- Advance U.S. International Commercial and Strategic Interests
- Improve Customer and Stakeholder
- Improve U.S. Competitive Advantage Through Global E-Commerce

Increase Trade Opportunities for U.S. Firms

TD is a leader in working with U.S. industry to form export marketing and business development strategies that assist U.S. companies to expand their exports and create high-paying jobs. TD consistently updates and modifies its strategies to meet changing needs and priorities of U.S. industries, emphasizing assistance for small and medium-sized enterprises (SMEs). TD is a catalyst for bringing together the resources of other Commerce Department units and U.S. Government agencies in ways that leverage support for these strategies. TD, with its industry expertise, trade databases, and information technologies, is recognized for its leading role in setting strategic priorities for trade policy and export development.

Working to open previously closed foreign markets is an important contribution the U.S. Government can make to achieving the goal of increasing trade opportunities for U.S. firms. The U.S. Government attempts to obtain market access through bilateral and multilateral trade negotiations and through government-to-government cooperative efforts to remove non-tariff barriers. In August 2002, TD officials led the first U.S. aerospace trade mission to Vietnam, opening this market to small, medium and large-sized U.S. manufacturers of airport equipment and systems, air traffic management systems, aircraft, and aircraft engines. During the mission, TD officials met with high-level Vietnamese government officials to discuss future aerospace cooperative efforts.



**TD's Devoted Resources By Performance
Goal Projected For FY 2004**

TD plays a pivotal role in accession negotiations, which expand existing agreements for new entrants and new markets, and the United States Trade Representative (USTR) relies heavily upon TD's industry analyses and information resources at the negotiating table. TD ensures that U.S. industry is represented in accession negotiations by providing industry expertise on U.S. export priorities. This expertise, together with supporting data, is crucial to negotiating greater market access for U.S. commercial interests. TD analysts use advanced database tools to assess tariff offers and to determine if these offers meet U.S. negotiating priorities. TD industry experts also identify changes in countries' laws needed to bring their trade regimes into conformity with World Trade Organization (WTO) rules.

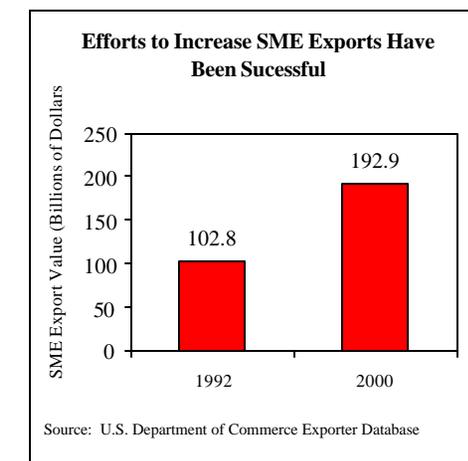
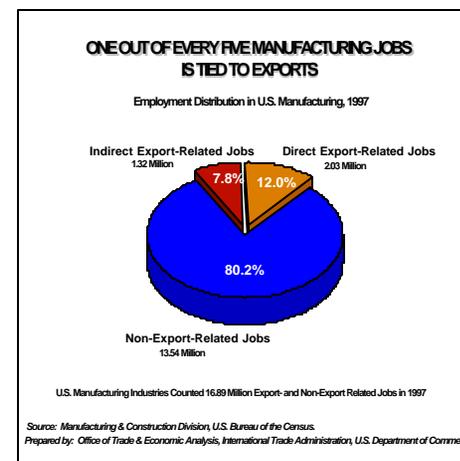
In addition, through analysis, coordination with country desk officers, and consultation with private sector representatives, TD develops industry recommendations for USTR. TD sits along side USTR at the table for every major market access negotiation including the Free Trade Area of the Americas, U.S./Chile Free Trade Agreement (FTA), U.S./Singapore FTA, and WTO Services. TD often has an even higher profile in industry-specific bilateral negotiations. With the passage of Trade Promotion Authority (TPA) and the launch of multiple new free trade agreement negotiations, USTR will increasingly rely on TD industry expertise. TD's expertise in trade analysis, database tools, and coordinating policy across industry sectors enables the Department of Commerce to provide invaluable assistance to USTR during these negotiations. TD's analysis and recommendations ensure that the interests of U.S. industry are fully represented. TD develops negotiating priorities, recommends tariff negotiation procedures, and identifies and works on a government-to-government basis and through international industry study groups to overcome non-tariff barriers. Further, TD operates a network of industry sector advisory committees (ISACs), which serve as communications channels for U.S. companies to express their views to U.S. negotiators on the conduct of particular negotiations.

TD's industry units have completed or are working on approximately 50 trade events in FY 2002. These events include trade fairs, trade missions, product literature centers/sample displays and business information centers at overseas trade shows and seminars/conferences. These events have and will provide excellent venues for over 300 U.S. companies to pursue new business and marketing opportunities abroad. For FY 2003, approximately 75 events are currently in the planning stages or under consideration.

Broaden and Deepen U.S. Exporter Base

Clients look to TD for assistance in understanding how the rapidly changing international marketplace impacts U.S. businesses. TD's outreach strategy ensures that clients are aware of TD's expertise, services, and programs.

TD's Trade Information Center (TIC), the first stop for U.S. businesses seeking federal export help, provides comprehensive export information via a toll-free line, 1-800-USA-TRADE, its website: <http://tradeinfo.doc.gov>, and through extensive Internet databases. The TIC staff advises exporters, mostly SMEs, on getting started and how to use Government programs, guides them through the export process, and provides country and regional counseling, regulatory and customs information, and referrals. In FY 2002, the TIC handled over 2,000,000 inquiries, primarily from SMEs, for general and country-specific counseling and information. Of these inquiries, over 69,000 received personal service through phone, e-mail, fax, walk-in, trade show counseling, or advocacy assistance.



TD's Advocacy Center helps U.S. exporters to win foreign government procurement contracts. In pursuit of this goal, the Advocacy Center works with TD industry sector offices, the Commercial Service, our U.S. embassies abroad, Market Access Compliance (MAC) country desk offices, Trade Promotion Coordinating Committee (TPCC) member agencies, and U.S. bidders to determine the appropriateness of advocacy on particular bids and to develop advocacy strategies for projects. The Advocacy Center facilitates high-level U.S. Government advocacy using various tools such as letters, telephone calls, visits and occasional trade missions. In FY 2002, the Advocacy Center managed and coordinated U.S. Government advocacy action in approximately 680 projects and procurements valued at \$110 billion over the life of the transactions based on available Advocacy Center data.

TD also operates the Market Development Cooperator Program (MDCP). The MDCP is a competitive matching grant program that provides Federal assistance to non-profit export multipliers such as states, trade associations, chambers of commerce, world trade centers and other industry groups that are particularly effective in reaching and assisting small- and medium-sized enterprises (SMEs). MDCP awards help to underwrite the start-up costs of exciting new export marketing ventures, which these groups are often reluctant to undertake without Federal Government support.

Since FY 1997, MDCP award winners have generated over \$227 million in exports annually. During its nine-year history, the MDCP will have facilitated over \$2 billion of U.S. exports. When funded projects are completed, the private sector will have invested over \$57 million to develop foreign markets.

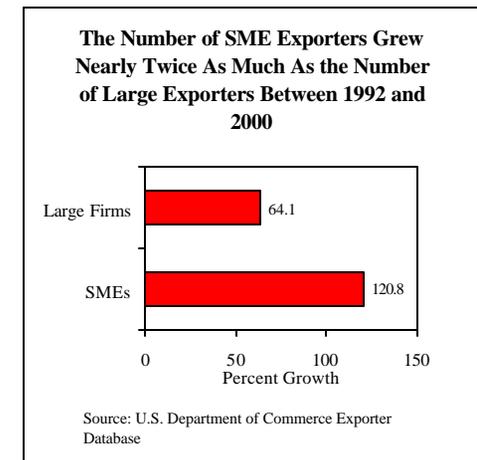
Provision of timely and accurate trade information contributes significantly to broadening and deepening the U.S. exporter base. TD's industry specialists are the Federal Government's experts on the status of, and prospects for, U.S. industries. They collect and analyze a variety of data, including production, costs, prices, financial and labor conditions, technological advances, distribution, markets (both foreign and domestic), trade patterns and other factors in order to understand and support U.S. industries. Based on their analyses of these data, TD industry specialists prepare forecasts for U.S. industries or industry sectors.

TD's work with trade associations and other industry groups also plays a vital role in broadening and deepening the U.S. exporter base. TD analysts help their trade association clients to customize their export strategies to capitalize on competitive advantages in particular foreign markets and assist individual association member companies to overcome trade barriers and gain market access. TD organizes a wide variety of export marketing seminars and provides speakers at seminars and conferences organized by TD clients.

Ensure Fair Competition in International Trade

The U.S. Government relies on TD's industry expertise to monitor and enforce more than 130 trade agreements which contain specific industry sector provisions. For example, all aspects of textile compliance cases are handled by TD's Office of Textile and Apparel. Other examples of TD's trade compliance activities include the monitoring of multilateral environmental agreements, such as the Basel Convention, Montreal Protocol, the Kyoto Protocol, and TD's work on the General Agreement on Trade in Services (GATS). Specific TD industry analyst compliance responsibilities include:

- Organizing and/or participating on compliance action teams developing strategy to resolve compliance complaints;
- Monitoring certain bilateral agreements and WTO agreements;
- Meeting with U.S. firms and trade associations to discuss compliance complaints;
- Gathering data on compliance cases for submission to the ITA Compliance Activity database;



Identifying potential industry-specific compliance cases;
Reaching out to U.S. firms and trade associations to make them aware of the USDOC Compliance Program

In response to European Union aircraft noise regulations, which would have prohibited certain U.S. manufactured aircraft from being flown into Europe, TD, along with other United States Government agencies worked within the International Civil Aviation Organization (ICAO) to repeal successfully in April 2002 the EU “hushkit” regulations.

USTR relies on TD to prepare virtually all Section 301 retaliation lists, petitions filed due to suspected violations of U.S. protective trade laws. An important consideration in developing retaliation lists is to minimize the harmful impact on U.S. importers and producers. Therefore, USTR looks to the industry expertise of TD to conduct the necessary trade and economic analyses to generate effective lists. This analysis enables the interagency Section 301 Committee to develop fact-based recommendations taking into account the impact on U.S. firms and workers. USTR also looks to TD to alert SMEs of retaliatory actions under Section 301.

USTR also relies on TD’s industry analysis for all Section 201 industry cases. Specifically, TD is responsible for analyzing the impact of increased imports on the competitiveness of U.S. industries. In addition, TD assesses whether import restrictions will improve the competitiveness of U.S. industries and, if so, what remedies should be imposed.

Advance U.S. International Commercial and Strategic Interests

TD’s unique relationship with U.S. industry enables it to participate in shaping and implementing U.S. trade policy and to take a leadership role in trade negotiations. TD provides a primary forum for U.S. industry to voice its views on U.S. and foreign government policies that impact international trade. Other U.S. Government agencies rely on TD as the key resource for setting trade policy priorities affecting U.S. industry.

The aerospace and travel and tourism industry incurred huge and immediate losses following the events of September 11, 2001. The Department of Commerce moved swiftly to provide an avenue so that the government and industry could work together to implement policies that respond to industry needs and that strengthen its recovery. Secretary Evans asked TD to spearhead the Department’s efforts. TD worked with the industry to revitalize the Tourism Policy Council (TPC). Secretary Evans chaired the initial meeting of the TPC on October 29, 2001, and five additional meetings have been held since. Over this period, the TPC has grown to include 15 agencies and offices.

In March 2002, TD officials led a high-level policy mission to Europe to meet with European Union members state and Commission officials to discuss aerospace trade policy and to spread the message that it is safe to travel to the United States. Meetings with foreign government counterparts in London, Paris and Brussels focused on aerospace trade issues while industry meetings in Toulouse, France concentrated on increasing market access and sales opportunities for U.S. aerospace manufacturers. In addition, the Department of Commerce co-hosted a large reception with the Orlando Convention and Visitors Bureau. Over 50 top tour operators, wholesalers and members of the travel and tourism industry attended.

TD played an important role in the Presidential “Commission on the Future of the U.S. Aerospace Industry,” hosting the Commission’s public hearings in the Department of Commerce as well as providing staff participation and analysis for the Commission’s interim and final reports.

TD played an important role in laying the groundwork for a tourism agreement with Japan. On April 19, 2002, Secretary Evans and Japan Minister of Land, Infrastructure and Transport Oogi signed a Memorandum of Understanding (MOU) to create a formal tourism promotional initiative between the United States

and Japan called the Tourism Export Expansion Initiative. The MOU with Japan will serve as a model for similar agreements with the United Kingdom, Germany, France and Brazil.

In addition, TD's Office of Energy, Environment and Materials has been asked by the Under Secretary of ITA to lead Commerce efforts to help rebuild Afghanistan. The Commerce Afghan Reconstruction Team drafted an Afghan Reconstruction Plan for Commerce, established an Afghan Reconstruction Center to identify Afghanistan's needs and priorities, created a web site to share information and trade opportunities, organized an interagency meeting hosted by ITA's Under Secretary to coordinate U.S. Government reconstruction initiatives, and completed a series of meetings with private sector firms and organizations, funding agencies, such as the World Bank, and numerous Afghani government and private sector representatives. As the situation on the ground in Afghanistan stabilizes, the Afghan Reconstruction Team plans a series of infrastructure assessment missions and other trade promotion events to help identify and capitalize on commercial opportunities that present themselves as the long-term effort to rebuild Afghanistan commences.

Also, TD has undertaken numerous projects in fiscal year 2002 to implement the National Energy Policy. TD supported a commercial energy dialogue between the Secretary of Commerce and his Russian counterpart, including the Secretarial Trade Mission to Russia in October of 2001. TD represented the Department at the first three meetings of the North America Energy Working Group, insuring that the perspectives of industry were presented there. TD also supported numerous energy delegations in an effort to increase access for U.S. investment, thereby raising and diversifying world energy supplies and increasing U.S. energy security. Delegations came from Korea, China, and Russia. TD organized a business roundtable for U.S. industry with Nigerian government officials, giving over 600 participants direct access to Nigerian decision-makers. TD co-chaired two meetings of the Oil and Gas Working Group of the U.S.-Kazakhstan Energy Partnership and one meeting of the U.S.-China Oil and Gas Industry Forum.

TD continued the commercial energy dialogue with the Russian government, and organized a major Commercial Oil and Gas Summit in Houston in the fall of 2002. The Secretaries of Commerce and Energy co-chaired the event with their Russia counterparts. The forum pursued global energy security, opening new opportunities for partnerships between the fuel and energy industries of Russia and the U.S., enhancing energy trade, and expanding investment in energy. During the conference, Marathon Oil and Rosneft (a state-owned Russian oil company) announced plans to cooperate on a project intended to transport and market Urals crude oil to North America, Ex-Im Bank formalized its willingness to extend up to \$100 million in financing to each of three Russian oil companies to purchase U.S. equipment and services to develop Russia's oil and gas reserves, and Secretary Evans and Minister Gref announced establishment of a Commercial Energy Group to provide a regular forum for U.S. and Russian energy companies to identify and overcome specific barriers to greater cooperation in energy trade and investment. TD will also continue its on-going dialogue with China and Kazakhstan, and assist U.S. industry with entering new energy markets in Vietnam, Thailand, Spain, Morocco, and others. TD will also explore new ways to bring U.S. industry directly into the North America Energy Working Group discussions in order to work towards greater energy supply security in North America

Improve Customer and Stakeholder Satisfaction

TD is known by all of its clients for its consistently high quality analysis across all industry sectors. Through its liaison with U.S. businesses, TD provides integrated, comprehensive analytical services for strengthening U.S. competitiveness and promoting U.S. export growth. Also, TD is recognized by clients for its state-of-the-art information delivery and dissemination systems.

During FY 2002, TD continued its initiative to improve the usefulness of U.S. export data as a tool in helping U.S. firms realize their export potential. Working with the Census Bureau, TD supported the development of economic profiles of the U.S. exporting community, detailed statistics on U.S. exports at the state level, and information on the role of exports in supporting jobs in each and every state. This data provides critical information to U.S. firms considering the initiation or expansion of exporting activities, as well as, Federal, State and local government entities involved in supporting the realization of export potential by their constituent business entities. This data has been published in a series of reports and is web accessible.

TD also has accelerated the process of “unlocking” Department of Commerce data now residing on in-house systems by expanding the use of powerful Web technologies like the Export Statistics Express <http://ese.export.gov>. This technology—which featured interactive data retrieval, user customization, data visualization on map-based interfaces, and flexible downloading and printing—vastly expands data accessibility while sharply reducing the costs of serving ITA customers.

Improve U.S. Competitive Advantage Through Global E-Commerce

TD is a forward-looking and flexible organization, adapting quickly to new challenges in an evolving world economy. TD constantly updates its structure, products and services to reflect the changing needs of clients, technical developments, and availability of resources. Trade analysis, business leads, and information on other related policies and programs are delivered in a seamless, integrated, and timely manner to ensure that U.S. businesses can take full advantage of opportunities in foreign market. TD utilizes innovations in technology to constantly improve its analytical and delivery capabilities.

TD views e-commerce as a growth engine for U.S. exports, particularly among SMEs. TD’s strategy is to help U.S. companies use e-commerce to do business and to work towards creating a global environment where e-commerce can flourish, to the benefit of U.S. industry as a whole. Projects underway to help U.S. companies to take advantage of technological advances include outreach seminars, web-accessible information to business on complying with the Safe Harbor Agreement, and **A**How To Do E-Commerce@ guides for industry. TD also manages the Industry Functional Advisory Committee on E-Commerce. To increase small business participation, TD has produced reports on e-commerce/IT opportunities in selected countries in Asia, Latin America, Africa and Europe; has developed the IT Management Planning Tool, a self-assessment of a company’s IT needs available on CD-ROM; and has staged trade events specifically focused on e-commerce applications.

On the international policy front, TD promotes e-commerce growth through bilateral discussions and agreements with foreign governments, including Free Trade Agreements and Joint Statements on Electronic Commerce in developing countries, and participation in a wide range of e-commerce initiatives in multilateral fora including Free Trade Agreement of the Americas (FTAA), Asia/Pacific Economic Cooperation (APEC), Association of Southeast Asian Nations (ASEAN), Group of Eight (G-8), World Trade Organization (WTO), Council of Europe, Organization for Economic Cooperation and Development (OECD), Gulf Cooperation Council (GCC), Transatlantic Business Dialogue (TABD), Transatlantic Consumer Dialogue (TACD), and Global Business Dialogue (GBDe).

TD has developed the Export Finance Matchmaker (EFM), an interactive website at www.export.gov/efm designed to match U.S. exporters with sources of export financing or risk mitigation drawn from our data bank of export finance providers. TD is also working with Maryland-based FCIB (Finance, Credit and International Business), a subsidiary of the National Association of Credit Management, and a recent MDCP award winner, to develop and promote an On-Line Course in International Credit Management.

Summary of Workload and Performance Data

	<u>FY 2001</u>	<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2004</u>
	<u>Actual</u>	<u>Actual</u>	<u>Estimate</u>	<u>Estimate</u>
Providing Information, Counseling and				
Export Assistance Services:				
Counseling Sessions	42,616	43,000	44,000	45,000
Number of industry analyses/reports prepared	2,257	2,400	2,400	2,400
Number of trade events	150	50	75	100
Market Development Cooperator Program awards	7	9	7	7
Negotiating Open Markets:				
Number of multilateral meetings/negotiations/consultations	165	200	200	200
Number of bilateral meetings/negotiations/consultations	354	365	380	400
Number of Commission or Business Development Committee sessions	49	50	50	50
Disputes Addressed	168	175	200	225
Providing Government-to-Government Advocacy				
Advocacy projects receiving support	650	680	680	680
Value of projects (\$ billion) receiving advocacy support	108	110	110	110
Trade and Economic Analysis				
Exon-Florio national security reviews of FDI transactions	55	46	60	60
Number of data accessions using TPIS	6,350	7,000	7,500	8,000
Trade reference room responses to request for assistance	1,760	1,850	1,850	1,850
Trade Performance and Economic Reports	235	235	235	235

**DEPARTMENT OF COMMERCE
INTERNATIONAL TRADE ADMINISTRATION
OPERATIONS AND ADMINISTRATION
PROGRAM AND PERFORMANCE: DIRECT OBLIGATIONS
(Dollar amounts in thousands)**

Activity: International Trade Administration
Subactivity: Market Access and Compliance

		2002		2003		2004		2004		Increase/ (Decrease)	
		Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount
Performance Goal											
Increase Trade Opportunities for U.S. Firms	Pos./BA	13	1,387	16	1,773	16	1,863	16	1,863	0	0
	FTE/OBL.	11	1,907	14	2,483	14	1,863	14	1,863	0	0
Broaden and Deepen U.S. Exporter Base	Pos./BA	13	1,387	16	1,773	16	1,863	16	1,863	0	0
	FTE/OBL.	11	1,907	14	2,483	14	1,863	14	1,863	0	0
Ensure Fair Competition in International Trade	Pos./BA	168	27,483	199	22,343	199	23,467	199	23,467	0	0
	FTE/OBL.	133	24,024	176	31,283	186	23,467	186	23,467	0	0
Advance U.S. International Commercial and Strategic Interest	Pos./BA	19	1,942	22	2,483	22	2,608	22	2,608	0	0
	FTE/OBL.	14	2,669	20	3,476	20	2,608	20	2,608	0	0
Improve Customer and Stakeholder Satisfaction	Pos./BA	27	2,774	32	3,547	32	3,724	32	3,724	0	0
	FTE/OBL.	21	3,813	28	4,966	28	3,724	28	3,724	0	0
Improve U.S. Competitive Advantage Through Global E-Commerce	Pos./BA	27	2,774	32	3,547	32	3,725	32	3,725	0	0
	FTE/OBL.	21	3,813	28	4,966	28	3,725	28	3,725	0	0
Direct Obligations											
	Pos./BA	267	37,747	316	35,466	316	37,250	316	37,250	0	0
	FTE/OBL.	211	38,134	280	49,656	290	37,250	290	37,250	0	0

**DEPARTMENT OF COMMERCE
INTERNATIONAL TRADE ADMINISTRATION
OPERATIONS AND ADMINISTRATION
PROGRAM AND PERFORMANCE: REIMBURSABLE OBLIGATIONS
(Dollar amounts in thousands)**

Activity: **International Trade Administration**

	FY 2002 Actual		FY 2003 Estimate		FY 2004 Base		FY 2004 Estimate		Increase/ (Decrease)	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
<u>Market Access and Compliance</u>	0	(192)	0	1,650	0	1,650	0	1,650	0	0

**Department of Commerce
International Trade Administration
Operations and Administration
JUSTIFICATION OF PROGRAM AND PERFORMANCE
MARKET ACCESS AND COMPLIANCE**

Department of Commerce Goal: *Provide Information and Framework to Enable Economy to Operate Efficiently and Equitably*

Market Access and Compliance Goals and Objectives for FY 2004:

Market Access and Compliance (MAC) focuses on obtaining greater access to foreign markets for U.S. companies by eliminating barriers to U.S. exports overseas and by ensuring foreign compliance with trade agreements.

MAC's strategic goals and objectives are to:

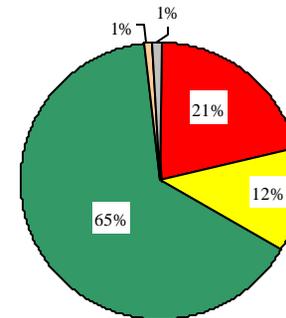
- Identify, analyze and prioritize market barriers to U.S. exports;
- Develop strategies for removing the market obstacles;
- Work to remedy failures by foreign governments to implement and comply fully with trade agreements;
- Monitor compliance with all U.S. non-agricultural trade agreements;
- Work with the U.S. Trade Representative (USTR) and other agencies to implement the strategies developed for removing market obstacles;
- Increase the number of compliance investigations initiated; and
- Increase the dollar value of market openings.

ITA/MAC Performance Goals:

- Increase Trade Opportunities for U.S. Firms
- Broaden and Deepen U.S. Exporter Base
- Ensure Fair Competition in International Trade
- Advance U.S. International Commercial and Strategic Interests
- Improve Customer and Stakeholder Satisfaction
- Improve U.S. Competitive Advantage Through Global E-Commerce

Increase Trade Opportunities for U.S. Firms

The Secretary and Congress have both stressed the importance of monitoring full compliance by foreign nations with trade agreements to ensure that U.S. business receives the full benefit of negotiated trade agreements. MAC monitors, investigates, and evaluates foreign compliance with more than 250 trade



**MAC's Devoted Resources By
Performance Goal Projected For FY 2004**

agreements signed by the United States. MAC is an integral part of the U.S. Government's interagency cooperative effort to develop and implement market access strategies and to remove foreign trade barriers. MAC contributes to the U.S. Trade Representative's trade negotiations by providing much of the analysis, expertise, and staff support needed to achieve the negotiating objectives. In addition, MAC's website (www.mac.doc.gov) is an important resource which explains U.S. trade agreements so that U.S. firms know how to use the market opening agreements negotiated by the U.S. Government. The website also provides a one-stop service for U.S. firms to report trade problems. MAC's specialists actively reach out to U.S. companies, labor, trade associations, and other business organizations to identify foreign barriers to U.S. exports and to develop strategies to overcome them.

The country and regional experts in MAC provide technical knowledge and detailed expertise needed for U.S. trade agreement negotiating teams. MAC analyzes market barriers, develops detailed data and information related to technical problems and obstacles, and conducts economic and commercial analyses necessary for successfully negotiating trade agreements. Compliance officers in MAC regularly participate in many U.S. trade negotiations. In some instances, such as the negotiations with Japan on public works construction and the e-commerce agreements in South America, MAC has led the negotiations. Also, MAC performs commercial facilitation initiatives—developing commercial policy positions and negotiations for use in multilateral and bilateral negotiations. These activities often lead to the initiation of new trade agreement compliance and market access cases *before* U.S. firms file a formal complaint.

Broaden and Deepen U.S. Exporter Base

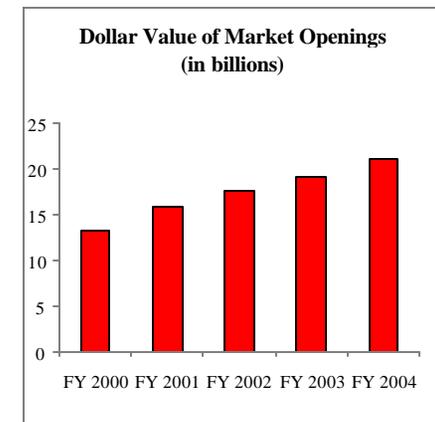
MAC is oriented to help small and medium-sized enterprises (SMEs) that lack the resources to determine their rights under U.S. trade agreements. Companies use MAC as the U.S. government assistance source when they need to combat unfair barriers to trade. MAC emphasizes specialized, in-depth support of firms facing market access problems.

MAC has initiated an intensive outreach program to State development agencies and local business organizations across the country. The program benefits small companies by informing them about U.S. Government trade related services available to them and the rights guaranteed to them under the trade agreements. In addition, it provides MAC's specialists with insight into the local business community and new trade barriers that may be plaguing U.S. firms.

MAC's Trade Compliance Center (TCC) offers a compliance hotline on the Internet (www.export.gov/tcc) where U.S. businesses can register complaints on market access barriers, thereby initiating an investigation by MAC's specialists. The TCC trade agreements database on the Internet dramatically improves the ability of U.S. SMEs to understand the agreements. Companies are able to compare the market access they are receiving with what they should be receiving, and thus, are in a better position to inform MAC of probable violations or failure to implement agreements.

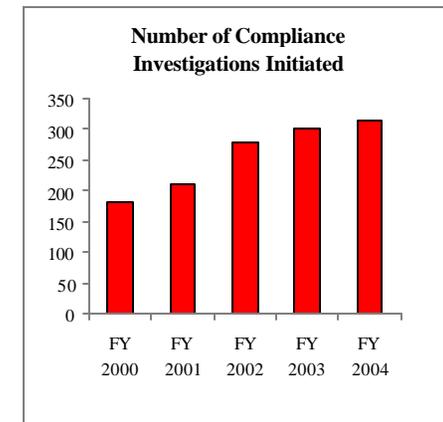
Ensure Fair Competition in International Trade

MAC's regional units -- Africa and the Middle East; Asia and the Pacific; Europe (including Russia and the Newly Independent States); and the Western Hemisphere (including the North American Free Trade Agreement (NAFTA)) -- work directly with individual U.S. firms facing trade barriers. MAC devises



strategies for remedying broad market access deficiencies, such as restrictive standards and other regulatory measures designed to keep U.S. exports out of foreign markets and coordinates U.S. government agency efforts to implement the strategies. In addition, MAC's regional units manage the Commerce Department's bilateral business development commissions. Regional units also participate in international trade conferences, events, and missions to assess barriers, threats, and opportunities for U.S. exports.

MAC's Trade Compliance Center (TCC), in close collaboration with country and regional experts, ensures that trade agreements negotiated by the United States are monitored in regards to their implementation by foreign governments and for identification of compliance problems. The TCC obtains information directly from U.S. businesses, MAC regional units, other Commerce Department units, and U.S. embassies regarding potential failures by foreign governments to implement and adhere fully to agreements. Once a case is initiated, the TCC staff puts together a team of industry, country and issue experts to resolve compliance problems without having to resort to lengthy, formal dispute settlement procedures. TCC offices work cooperatively with the industry experts in TD if the issue does or potentially could affect the entire industry, and also with appropriate IA offices when illegal subsidies by foreign governments and/or dumping by foreign companies are suspected. When compliance cannot be attained in this manner, the TCC works with the USTR Trade Enforcement Center to develop effective cases for formal dispute settlement through the WTO, NAFTA, or by other means. MAC's specialists contribute to regular reports on possible compliance violations for use by USTR and other agencies.



Advance U.S. International Commercial and Strategic Interest

In addition to supporting U.S. trade negotiators in the WTO, Free Trade Agreement of the Americas (FTAA), and through bilateral Free Trade Agreements, MAC works in additional areas to support the President's other trade policy objectives. MAC works with Commerce officials and other U.S. Government agencies to encourage foreign policy and assistance programs to include a role for expanding U.S. business in economic development programs. MAC also maintains aggressive outreach through the Internet to alert U.S. businesses to specific opportunities opened through U.S. policy and assistance programs. MAC has had significant success in expanding U.S. exports while supporting U.S. Government foreign policy initiatives in China, Russia and the other Newly Independent States, Central America, Northern Ireland, Central and Eastern Europe, and South Africa. MAC's actions facilitate increased exports and simultaneously support a stronger, market-oriented economic system in these areas of the world, which contributes both to U.S. economic goals and global stability.

Improve US Competitive Advantage Through Global E-Commerce

MAC launched the Latin America E-Business Fellowship program in FY 2001 and held a second round in FY 2002. Additional rounds will be planned in FY 2003 and FY 2004 in Latin America and/or other developing regions of the world. Both the country and issue specialists are actively involved in expanding trade opportunities through e-business for U.S. firms by working with foreign governments to develop a framework of free and fair trade as they enter the new global economy.

Summary of Workload and Performance Data

<u>Performance Measures:</u>	FY 2001	FY 2002	FY 2003	FY 2004
	<u>Actual</u>	<u>Actual</u>	<u>Estimate</u>	<u>Estimate</u>
Number of market access and compliance cases initiated (APP Measure)	New	253	200	150
Number of market access and compliance cases concluded (APP Measure)	New	New	40	60
Dollar value of trade barriers addressed	New	\$40.2b	\$25 – 30b	Discontinued

**DEPARTMENT OF COMMERCE
INTERNATIONAL TRADE ADMINISTRATION
OPERATIONS AND ADMINISTRATION
PROGRAM AND PERFORMANCE: DIRECT OBLIGATIONS
(Dollar amounts in thousands)**

Activity: International Trade Administration
Subactivity: Import Administration

		2002		2003		2004		2004		Increase/ (Decrease)	
		Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount
<u>Performance Goal</u>											
Ensure Fair Competition in International Trade	Pos./BA	354	38,989	400	45,875	400	48,093	400	48,093	0	0
	FTE/OBL.	282	40,996	356	46,151	366	48,093	366	48,093	0	0
Improve Customer and Stakeholder Satisfaction	Pos./BA	39	4,335	44	5,097	44	5,344	44	5,344	0	0
	FTE/OBL.	31	4,555	40	5,128	40	5,344	40	5,344	0	0
Direct Obligations											
	Pos./BA	393	43,324	444	50,972	444	53,437	444	53,437	0	0
	FTE/OBL.	313	45,551	396	51,279	406	53,437	406	53,437	0	0

**DEPARTMENT OF COMMERCE
INTERNATIONAL TRADE ADMINISTRATION
OPERATIONS AND ADMINISTRATION
PROGRAM AND PERFORMANCE: REIMBURSABLE OBLIGATIONS
(Dollar amounts in thousands)**

Activity: International Trade Administration

	FY 2002 Actual		FY 2003 Estimate		FY 2004 Base		FY 2004 Estimate		Increase/ (Decrease)	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
Import Administration	0	5	1	300	1	300	1	300	0	0

**Department of Commerce
International Trade Administration
Operations and Administration
JUSTIFICATION OF PROGRAM AND PERFORMANCE
IMPORT ADMINISTRATION**

Department of Commerce Goal: *Provide Information and Framework to Enable Economy to Operate Efficiently and Equitably*

Import Administration Goals & Objectives for FY 2004:

The objective of Import Administration (IA) is to support this Departmental goal by taking prompt, aggressive action against unfair trade practices by enforcing the U.S. trade laws and agreements negotiated to address sector-specific, trade distorting practices. IA's objectives are:

- To conduct antidumping and countervailing duty investigations, administrative reviews, and sunset reviews within statutory time limits, and negotiate and administer suspension agreements;
- Implement new proactive trade enforcement activities under the Trade Compliance Initiative (TCI); and
- Manage and support the Foreign Trade Zones (FTZ) Program and certain other special import programs.

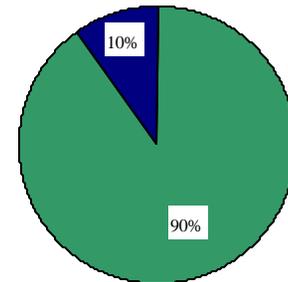
ITA/IA Performance Goals

Ensure Fair Competition in International Trade
Improve Customer and Stakeholder Satisfaction

Ensure Fair Competition in International Trade

Import Administration (IA) defends American industry against injurious trade practices by administering efficiently, fairly, and in a manner consistent with U.S. international obligations, the antidumping (AD) and countervailing duty (CVD) laws of the United States. AD/CVD laws are ones set up to provide domestic industry the opportunity to file petitions for relief from unfair foreign trade practices, such as dumping and subsidization of imports into the U.S. IA counsels U.S. industries that are considering filing AD or CVD petitions. IA staff meets with industry representatives in Washington or at the industry's offices or factories; educates the industry representatives about the requirements of the AD/CVD laws; reviews information provided by the industry; and advises whether additional information is necessary to justify the initiation of an investigation. IA staff is particularly active in counseling small U.S. businesses, which are less able to afford legal counsel, and in assisting them in preparing AD/CVD petitions. In addition, considerable resources are expended in counseling larger businesses and their legal counsel at the pre-petition phase of an investigation. Major program activities under this law include:

- Analyzing petitions from domestic industries alleging unfair foreign trade practices;
- Conducting investigations of alleged foreign trade practices when warranted by petitions from domestic industries;
- Issuing orders to the U.S. Customs Service to adjust tariff rates to provide relief to domestic industries when dumping or subsidization has been found and domestic industry has been injured; and
- Conducting administrative reviews of such AD/CVD orders in subsequent years as requested by domestic and foreign parties, as well as, conducting sunset reviews.



**IA's Devoted Resources By Performance
Goal Projected For FY 2004**

IA conducts the initial investigation under the AD/CVD laws when there is reason to believe imports are being unfairly subsidized or sold in the U.S. at less than fair market value. Each investigation must be completed within strict statutory deadlines, and the investigations vary widely in terms of scope and complexity. Each investigation requires:

- Intensive analysis of information provided by the petitioning U.S. industry to determine whether an investigation should be initiated;
- Preparation of extensive questionnaires, to be answered by the relevant foreign governments and/or industry, which seek information about foreign government programs available to firms, and the individual firm's prices and costs;
- Analysis of responses to the questionnaires and verification of such responses on-site in the foreign country at the relevant government and/or industry offices;
- Calculation of estimated subsidy or dumping margins; and
- Preparation of preliminary and final determinations, including *Federal Register* notices that explain each determination and discuss and resolve each issue raised by the parties to the investigation.

IA conducted 70 AD/CVD investigations in FY 2002, with an unusually large number of steel trade cases in the fourth quarter of the year.

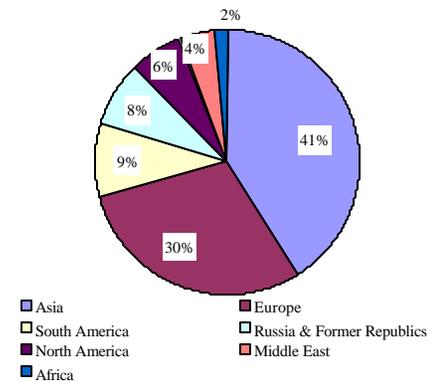
When the results of a final determination are challenged in the Court of International Trade, IA staff provides support to the Chief Counsel for IA and the Justice Department. If a case is remanded to IA by the Court of International Trade, the investigation is re-conducted in accordance with the Court's instructions.

IA plays the lead role in developing guidance, including regulations, to implement changes to AD/CVD practice. IA's responsibility for coordinating multilateral subsidies enforcement efforts, which focus on assisting the private sector by monitoring foreign subsidies and identifying subsidies that can be remedied under the World Trade Organization (WTO) Subsidies Agreement. The number of subsidy issues brought to IA's attention by the U.S. exporting community continues to increase as information, provided through our subsidies enforcement efforts, is received in the business community. A major initiative of these efforts has been the monitoring of the economic policies of Korea, Indonesia, and Thailand in response to the Asian financial crisis; ensuring compliance with the subsidy-related conditions of the International Monetary Fund (IMF) rescue package; and uncovering potential subsidy programs that are actionable under U.S. countervailing duty law or the WTO. Other significant activities include:

- Policy development and coordination for numerous anticipated AD/CVD case filings;
- Defense of U.S. AD/CVD decisions before the relevant WTO Committees and in consultations with affected foreign governments;
- Technical advice on AD/CVD issues in various bilateral and multilateral trade initiatives;
- Assistance to U.S. exporters subject to foreign AD/CVD actions, including challenges to such actions in the appropriate fora; and
- Support to negotiations on Free Trade Agreement of the Americas (FTAA).

As directed by Congress, IA's activities under the Trade Compliance Initiative (TCI) include a rigorous overseas program. In conjunction with MAC's effort under TCI, this multi-faceted initiative provides a robust and comprehensive approach to trade enforcement and market access issues confronting U.S. industry. Under the TCI, IA's role in the Overseas Compliance Program is targeted at increasing the effectiveness of U.S. trade law as well as monitoring and compliance of trade agreements through the deployment of specialized officers to various countries, such as China, Korea, Japan, and Switzerland, to:

IA's Regional Workload in FY 2002



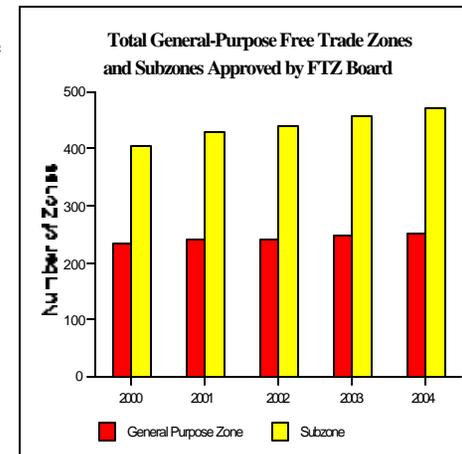
- Conduct on-site research regarding subsidies and other market distorting practices;
- Perform on-site verification of data submitted by foreign companies and countries in AD/CVD investigations and administrative reviews;
- Focus on educating foreign companies and government officials on the intricacies of the complex U.S. AD/CVD trade laws;
- Conduct immediate product and industry research as well as on-site feasibility assessment, to support headquarters management during AD/CVD suspension agreement negotiations; and
- Conduct marketing studies to support the Administration's efforts to address industry-specific import surge situations.

Also as part of the TCI, IA is studying and evaluating the trade practices of China and Japan in order to provide consistent remedial relief to U.S. industry and to proactively identify specific trade practices, which can lead to larger trends and impacts on U.S. industries. With resources provided under TCI, IA continues to focus on the continuing need to:

- Monitor import surges brought about by sudden international economic changes;
- Expedite AD/CVD investigations when warranted by import surges; and
- Further strengthen our subsidies enforcement activities.

Improve Customer and Stakeholder Satisfaction

IA administers the Foreign Trade Zones (FTZ). The Foreign Trade Zones (FTZ) staff serves as the operational arm of the FTZ Board, an interagency body chaired by the Secretary of Commerce. The Board was established to license (grants of authority) and regulate foreign trade zones (customs free zones), under the FTZ Act of 1934 (19 USC 81) and the Board's regulations (15 CFR 400). Zones are sponsored by public or public type corporations, with some operated by private corporations under agreement with licensees. The Act's public utility requirement calls for reasonable and non-discriminatory rates. As of the end of FY 2002, there were 240 zones and 440 sub zones in the United States employing some 330,000 persons. The volume of exports leaving U.S. foreign-trade zones amounted to \$15.4 billion in FY 2001 and an estimated \$15 billion in FY 2002. During FY 2002, the board completed 54 formal applications reviews, and 68 administrative applications. The formal applications approved included three for new general-purpose zones (GPZ) projects, 15 for expansions of existing GPZ's and 20 for new sub-zones. In reviewing new manufacturing in zones and sub zones in terms of the public interest, the Board evaluates the net economic effect of proposed operations, manufacturing considering such factors as: public policy, import penetration, export development, employment impact, and impact on domestic industry. Zone savings are designed to help improve the international competitiveness of U.S. industries. States and local communities use zones as an element of their economic development efforts. FTZ activity is monitored for compliance with application scope and compliance with FTZ Board grant restrictions.



IA also administers the Statutory Import Program, which is responsible for administering specific import laws. The program oversees the Insular Watch Assembly Program authorized by P.L. 97-446, as amended by P.L. 103-465; and the Educational Scientific and Cultural Materials Importation Act (Florence Agreement), authorized by P.L. 89-651. The insular Watch Assembly Program allocates the duty-exemption for watches imported into the United States from the Virgin Islands, Guam, American Samoa, and the Northern Marianas Islands and issues special production incentive certificates authorized by P.L. 97-446, as amended by P.L. 103-465. The Florence Agreement Program determines whether scientific instruments imported into the United States by non-profit institutions qualify for duty-free entry. The staff also records and tabulates data on the duty-free entry of articles for the handicapped under Annex E (ii) of the Nairobi Protocol.

Summary of Workload and Performance Data

	<u>FY 2001</u>	<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2004</u>
	<u>Actual</u>	<u>Actual</u>	<u>Estimate</u>	<u>Estimate</u>
<u>Performance Measures:</u>				
Annual Performance Plan (APP) measure				
Percentage of AD/CVD Cases Completed on Time (APP)	100%	100%	100%	100%
Enforcing the Antidumping (AD) and Countervailing Duty (CVD) Laws:				
Potential AD/CVD Petitioners Counseled by IA Staff	167	100	100	100
AD/CVD Investigations Conducted	95	22	22	22
New AD/CVD Orders issued to U.S. Custom Service to Change Tariff Rates	21	40	30	30
Existing AD/CVD Orders reinvestigated through Administrative Review	121	126	126	126
Existing AD/CVD Orders examined through Sunset Review	13	14	8	46
Enforcing the Foreign Trade Zone (FTZ) Act:				
New FTZ Application Reviews Initiated	55	46	65	70
New FTZ Board Actions and Orders Issued	75	54	70	70
FTZ and FTZ Sub zones in Operation	333	340	350	360
Value of Merchandise Handled by FTZs (\$ Billion)	225	230	240	250
Value of Exports (\$ Billion)	15	15	16	17
U.S. Jobs Supported by FTZs	320,000	330,000	330,000	340,000
Administering Certain Statutory Import Programs:				
Duty-Free Applications Processed	37	45	50	55
Duty-Free Entries Monitored	4,000	7,326	8,000	8,000
Value of Duty-Free Scientific Equipment Imported and Made Available to U.S. Non-Profit Education/Research Institutions (\$ Million)	15.5	33.5	35	40
Value of Duty Articles Imported to Improve Quality of Life for Disabled (\$ Million)	180	455	500	500

**DEPARTMENT OF COMMERCE
INTERNATIONAL TRADE ADMINISTRATION
OPERATIONS AND ADMINISTRATION
PROGRAM AND PERFORMANCE: DIRECT OBLIGATIONS
(Dollar amounts in thousands)**

Activity: International Trade Administration
Subactivity: US & Foreign Commercial Service

		2002		2003		2004		2004		Increase/ (Decrease)	
		Actual	Personnel	Estimate	Personnel	Base	Amount	Estimate	Personnel	Amount	Personnel
Performance Goal											
Increase Trade Opportunities for U.S. Firms	Pos./BA	418	58,127	422	58,993	422	61,356	422	61,356	0	0
	FTE/OBL.	358	60,202	383	60,984	387	61,356	387	61,356	0	0
Broaden and Deepen U.S. Exporter Base	Pos./BA	350	48,523	352	49,161	352	51,129	352	51,129	0	0
	FTE/OBL.	298	50,168	319	50,820	325	51,129	325	51,129	0	0
Ensure Fair Competition in International Trade	Pos./BA	140	19,409	141	19,664	141	20,452	141	20,452	0	0
	FTE/OBL.	119	20,067	128	20,328	128	20,452	128	20,452	0	0
Advance U.S. International Commercial and Strategic Interest	Pos./BA	112	15,527	112	15,732	112	16,361	112	16,361	0	0
	FTE/OBL.	95	16,054	102	16,262	102	16,361	102	16,361	0	0
Improve Customer and Stakeholder Satisfaction	Pos./BA	210	29,114	211	29,497	211	30,678	211	30,678	0	0
	FTE/OBL.	179	30,101	191	30,492	191	30,678	191	30,678	0	0
Improve U.S. Competitive Advantage Through Global E-Commerce	Pos./BA	168	23,291	169	23,597	169	24,542	169	24,542	0	0
	FTE/OBL.	143	24,081	153	24,393	153	24,542	153	24,542	0	0
Direct Obligations	Pos./BA	1,398	193,991	1,406	196,644	1,406	204,518	1,406	204,518	0	0
	FTE/OBL.	1,191	200,673	1,276	203,279	1,286	204,518	1,286	204,518	0	0

**DEPARTMENT OF COMMERCE
INTERNATIONAL TRADE ADMINISTRATION
OPERATIONS AND ADMINISTRATION
PROGRAM AND PERFORMANCE: REIMBURSABLE OBLIGATIONS
(Dollar amounts in thousands)**

Activity: International Trade Administration

	FY 2002		FY 2003		FY 2004		FY 2004		Increase/ (Decrease)	
	Actual		Estimate		Base		Estimate		FTE	Amount
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
US & Foreign Commercial Service	2	7,957	25	18,150	25	18,150	25	18,150	0	0

Department of Commerce

**International Trade Administration
Operations and Administration**

**JUSTIFICATION OF PROGRAM AND PERFORMANCE
U.S. AND FOREIGN COMMERCIAL SERVICE**

Department of Commerce Goal: *Provide Information and Framework to Enable Economy to Operate Efficiently and Equitably*

U.S. & Foreign Commercial Service Goals and Objectives for FY 2004:

The U.S. and Foreign Commercial Service (US&FCS) assists small and medium-sized enterprises (SMEs) in exporting their goods and services and protects U.S. business interests abroad. The US&FCS achieves these objectives in the following ways:

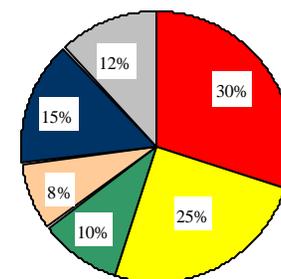
- Provides a wide array of high-quality services and customized solutions to help American companies export;
- Delivers these services through a unique global network of knowledgeable professionals who put their clients first. The US&FCS maintains an overseas network of 153 offices in 82 countries and a domestic network of 108 offices in 48 states, plus Puerto Rico;
- Works primarily with small and medium-sized enterprises (SMEs) to create jobs and foster economic growth. In FY 2002, the US&FCS facilitated over 12,000 U.S. exports with a dollar value of \$23.4 billion. For every \$1 billion exported, approximately 13,000 U.S. jobs are supported. Thus, the efforts of the US&FCS supported approximately 304,000 U.S. jobs. Of the 12,000 facilitated exports, almost 11,000 involved SMEs; over 5,000 were companies exporting to new markets; and 700 were companies exporting for the first time.

Within the ITA/US&FCS Performance Goals, the US&FCS strategic goals are:

- Expand the number of U.S. companies that export
- Expand the number of U.S. companies that export to more than one country
- Assist traditionally under-served clients

ITA/US&FCS Performance Goals:

- Increase Trade Opportunities for U.S. Firms
- Broaden and Deepen U.S. Exporter Base
- Ensure Fair Competition in International Trade
- Advance U.S. International Commercial and Strategic Interests
- Improve Customer and Stakeholder Satisfaction
- Improve U.S. Competitive Advantage Through Global E-Commerce



**US&FCS's Devoted Resources By
Performance Goal Projected For FY
2004**

Increase Trade Opportunities for U.S. Firms

Through its unique domestic and overseas field service network, the US&FCS provides an extensive array of services to help U.S. companies enter overseas markets.

These include helping identify and qualify agents, distributors, other types of partners and end users; providing access to timely, product-specific market information and country-specific information about appropriate market entry and distribution channels; and supplying information and assistance in the critical area of export financing and payment considerations. In addition US&FCS offers other services, such as market sensitive trade events; effective overseas advocacy for the business interests of U.S. firms; and government-to-government efforts to ensure compliance with trade law and regulations, so that U.S. companies can compete in a fair marketplace in each country.

Overseas Offices: US&FCS’s overseas offices help U.S. firms find potential distributors and buyers, and conduct extensive market research on best prospects for U.S. goods and services. US&FCS officers and local national employees play a vital role in identifying major projects and procurement opportunities in their host countries (including those funded by multilateral development banks), alerting U.S. firms to these opportunities, and aggressively advocating on behalf of U.S. firms bidding on projects with host country officials.

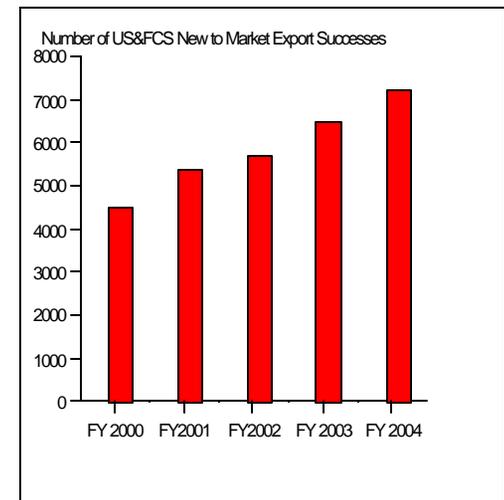
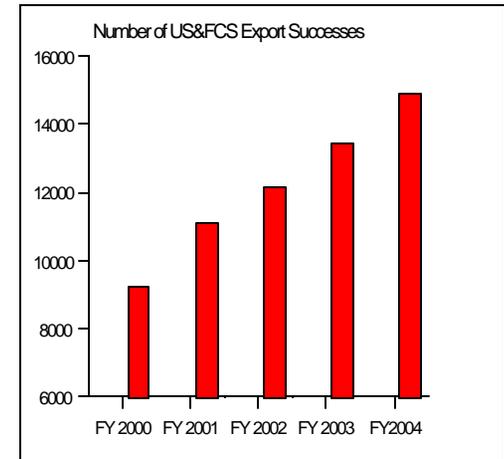
US&FCS officers provide operational support overseas to trade related agencies including the State Department, U.S. Trade Representative, Export-Import Bank, the Overseas Private Investment Corporation (OPIC), and the Trade Development Agency (TDA), often acting as their overseas field staff. They also support the initiatives of ITA units, the Import Administration (IA), Market Access and Compliance (MAC), and Trade Development (TD) as well as other Commerce units, including the Office of the Secretary, the National Oceanic and Atmospheric Administration (NOAA), the National Institute of Standards and Technology (NIST), and the Bureau of Industry and Security (BIS). This support includes in country visits to foreign companies and governments, market research, promotional activities, and counseling.

Domestic Offices: Provides assistance to SMEs with one-on-one export counseling. Almost all domestic locations are partnered and/or co-located with state export agencies, chambers of commerce, local export groups, world trade centers, branches of the U.S. Export – Import Bank, or offices of the Small Business Administration. Locating together makes it more convenient for clients to access all export services and prevents duplication between Federal and state export promoting groups. Most offices also work closely with many other groups to deliver the “how-you-can export” message at trade events, conferences and any other mechanism through which small businesses can learn how to export

Broaden and Deepen U.S. Exporter Base

The US&FCS has structured its operations to serve SMEs efficiently and to coordinate closely with other organizations that provide export promotion services. Domestic offices are located to capitalize on high export activity areas identified by trade patterns and to facilitate aggressive outreach to traditionally under-served rural and minority communities. US&FCS’s chief aim is to consistently deliver the complete package of export assistance to U.S. businesses throughout the country in order to increase the number of U.S. exporting companies as well as increase the value of U.S. exports to new markets. This network provides a nationwide source of one-on-one export counseling assistance for SMEs.

The domestic offices vary in size from one-person offices to larger offices of up to eight trade specialists that serve the largest export centers such as New York, Los Angeles, and Chicago. In addition, trade specialists regularly visit other locations to help



exporters in smaller business communities. The US&FCS has two specific programs designed to reach under-served communities and prepare them for exporting: the Global Diversity Initiative (GDI) and the Rural Export Initiative (REI).

The GDI program has developed the Market Entry Program (MEP), which takes minority firms through a comprehensive export training course. Over 200 minority/women-owned firms have graduated from a MEP course. GDI capitalizes on America's diversity to increase the number of minority-owned firms that export.

REI seeks to increase the number of rural companies engaged in exporting by ensuring better access to export assistance programs and services. In the first six months of fiscal year 2002, the Rural Export Resource Team of the US&FCS funded over 58 trade shows, training sessions, briefings, conferences and small projects, which will provide rural SMEs with export opportunities.

Ensure Fair Competition in International Trade

As the overseas and domestic service delivery arm of ITA, the US&FCS increasingly supports trade compliance work by:

- Building public awareness through seminars and counseling of individual U.S. firms, which describe our ability to help companies address overseas market access, dumping and subsidies problems;
- Fielding U.S. business complaints to headquarters compliance offices and to overseas posts;
- Seeking to resolve overseas compliance issues by advocating on behalf of U.S. firms with host government officials and foreign business organizations;
- Identifying violations and access problems, and feeding information to Washington for coordination and policy direction;
- Providing policy and administrative support to the new MAC/IA compliance staff recently deployed overseas.

The results of US&FCS efforts in compliance are improved worldwide monitoring and identification of unfair trade practices by foreign governments and companies, removal of market access/dumping/subsidy barriers to U.S. firms, and increased U.S. exports in all markets.

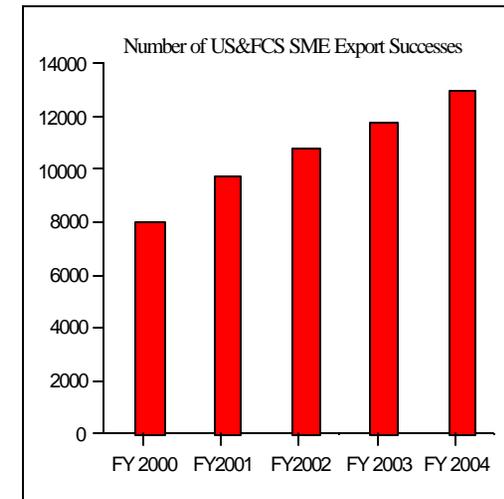
Advance U.S. International Commercial and Strategic Interest

In support of the U.S. Trade Representative (USTR) and in service to SME clients, US&FCS overseas posts monitor and report on foreign developments affecting the formulation of U.S. trade policy. US&FCS posts work with MAC in ITA and with USTR and their clients to identify and resolve trade barriers affecting SMEs. These barriers, for example, include foreign government legislative and regulatory measures, procurement practices, protection of intellectual property rights, and bidding and certifying procedures that affect U.S. trade in the host country. They also work to ensure foreign governments and businesses comply with trade laws and regulations.

Improve Customer and Stakeholder Satisfaction

The US&FCS directly supports the one-on-one counseling efforts of its domestic and foreign offices through various activities, such as:

- office automation and information systems support;
- management of US&FCS products and services, including client evaluation on quality and effectiveness and feedback to the overseas posts and domestic offices;
- coordination of state/local government and private sector trade event and cooperative activities;



- management and administrative oversight of field activities.

Collectively, these efforts assure timely, responsive, high-quality service to the business community, promote continuing program improvement, and ensure efficient field operations. In addition, to better serve clients, US&FCS hopes to design and staff a Hotline to resolve customer complaints. A tracking system will be set up to monitor and track refunds on all US&FCS products and services and address the problems that lead to customers' dissatisfaction. The international electronic data network, eMenu, team will develop and design an automated report card system.

As outlined in the US&FCS Strategic Plan, USFCS looks to "right-size" its organizational structure based on market factors, streamline existing business processes and programs, and evaluate expenditures to ensure that the US&FCS is providing the maximum benefit at a reasonable cost to small and medium sized businesses. This plan has been shared with Congress.

Increase U.S. Competitiveness through Global E-Commerce

US&FCS trade specialists use a wide variety of e-commerce tools and services from both public and private sector sources to help U.S. business evaluate new overseas markets and take advantage of foreign sales opportunities. The US&FCS has developed tools to increase the accessibility of exporting information to potential exporters. Major web-sites, such as BuyUSA.com (www.BuyUSA.com), provide basic information on navigating through the steps in the export process, in addition to international market research and online matchmaking services with foreign buyers. Through Export.gov, ITA's export portal, users obtain information on regulatory matters and policies, and access a broader array of USG trade-related information from the Department. BuyUSA.com and Export.gov work in partnership to help SMEs complete export transactions. Providing information and services electronically and utilizing video conferencing also frees trade specialists to focus more on working in-depth with clients. In addition, an international electronic data network – E-menu – and a series of Lotus Notes databases allow US&FCS posts to deliver specific information requests almost instantly to meet the needs of U.S. companies and support the export counseling programs of the domestic network.

Summary of Workload and Performance Data

	FY 2001	FY 2002	FY 2003	FY 2004
<u>Performance Measures:</u>	<u>Actual</u>	<u>Actual</u>	<u>Estimate</u>	<u>Estimate</u>
Number of Export Successes	11,114	12,182	13,500	14,900
Number of New-to-Market Export Successes	5,386	5,740	6,500	7,200
Number of New-to-Export Export Successes	742	697	900	1,000
Number of SME Export Successes	9,777	10,765	11,800	13,000
Dollar Value (in billions) of All Export successes	27.4	23.4	32.6	35.8
<u>Workload Measures:</u>				
Number of Clients Counseled	110,777	95,876	134,000	148,784
Number of Counseling Sessions	157,177	142,491	190,000	211,104

**DEPARTMENT OF COMMERCE
INTERNATIONAL TRADE ADMINISTRATION
OPERATIONS AND ADMINISTRATION
PROGRAM AND PERFORMANCE: DIRECT OBLIGATIONS
(Dollar amounts in thousands)**

Activity: International Trade Administration
Subactivity: Executive Direction/Administration

			2002		2003		2004		2004		Increase/ (Decrease)	
			Actual		Estimate		Base		Estimate			
			Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount
Performance Goal												
Improve Customer and Stakeholder Satisfaction	Pos./BA		122	11,043	138	21,454	138	22,069	142	25,814	4	3,745
	FTE/OBL.		122	11,315	138	21,618	138	22,069	141	25,814	3	3,745
Improve U.S. Competitive Advantage Through Global E-Commerce	Pos./BA		22	1,950	24	3,786	24	3,895	24	3,895	0	0
	FTE/OBL.		21	1,997	24	3,815	24	3,895	24	3,895	0	0
Direct Obligations												
	Pos./BA		144	12,993	162	25,240	162	25,964	166	29,709	4	3,745
	FTE/OBL.		143	13,312	162	25,433	162	25,964	165	29,709	3	3,745

**DEPARTMENT OF COMMERCE
INTERNATIONAL TRADE ADMINISTRATION
OPERATIONS AND ADMINISTRATION
PROGRAM AND PERFORMANCE: REIMBURSABLE OBLIGATIONS
(Dollar amounts in thousands)**

Activity: International Trade Administration

	FY 2002		FY 2003		FY 2004		FY 2004		Increase/ (Decrease)	
	Actual		Estimate		Base		Estimate		FTE	Amount
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
Executive Direction/Administration	23	2,357	23	5,500	23	5,500	23	5,500		0

**Department of Commerce
International Trade Administration
Operations and Administration
JUSTIFICATION OF PROGRAM AND PERFORMANCE FOR
EXECUTIVE DIRECTION AND ADMINISTRATION**

Department of Commerce Goal: *Provide Information and Framework to Enable Economy to Operate Efficiently and Equitably*

Executive Direction and Administration Goals and Objectives for FY 2004:

Executive Direction and Administration strives to achieve trade expansion and economic growth through well thought out policy guidance, excellent leadership, and efficient and effective management of the International Trade Administration's resources. Executive Direction and Administration provides for the necessary support services, program oversight, and overall policy leadership that allows ITA program units to operate at their full potential.

ITA /Executive Direction and Administration Performance Goals

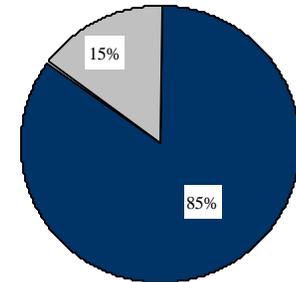
- Improve Customer and Stakeholder Satisfaction
- Improve the U.S. Competitive Advantage Through Global E-Commerce

Improve Customer and Stakeholder Satisfaction

Through the Office of the Under Secretary and Deputy Under Secretary for International Trade, the Office of Legislative and Intergovernmental Affairs (OLIA), and the Office of Public Affairs (OPA), programs and issues concerning trade administration, commercial policy, and trade development are coordinated with the Department of Commerce, ITA's customers and stakeholders, trade associations and organizations, and with Federal, state and local government branches. For example, Executive Direction represents ITA on the National Economic Council Deputies, and the Trade Policy Review Group, and the office serves as ex-officio member of the Board of the Export-Import Bank of the U.S., and on other Secretarial - level boards, committees or panels for which the primary focus is international trade. OLIA acts as a liaison to the U.S. Government's legislative branch. Through its work, OLIA informs Congress of the important successes ITA makes and keeps ITA aware of new, trade-related legislative initiatives. OPA broadcasts ITA's services and successes to the appropriate press and business audiences in the U.S. and around the world.

In addition, the Office of the Chief Financial Officer and Director of Administration, the Office of Financial Management, the Office of Organizational and Management Support, and the Office of Human Resources Management oversee the necessary resources for ITA and measure the program performance to maintain ITA's superior efforts. These offices provide services and manage the administrative aspects of ITA, and thus ensure that the needs of ITA clients and employees are fulfilled.

Improve the U.S Competitive Advantage Through Global E-Commerce



**EX/AD's Devoted Resources By
Performance Goal Projected For FY
2004**

ITA's Executive Direction and Administration unit also contributes to ITA's efforts in providing advanced, technical solutions to trade. The Office of the Chief Information Officer provides centralized strategic and operational management of all Information Technology (IT) resources, maximizing information control and security on a global basis and overseeing platform standardization, training and life cycle management. In addition, it oversees the administration of ITA's advanced Internet portal Export.gov (www.export.gov). By providing the necessary IT tools and maintenance, the CIO provides a link that customers around the world may use to research trade issues, understand trade agreements and become knowledgeable about the export process. Not only does the CIO's office provide ITA's customers with an important and useful tool to learn about exporting, and thus champion trade, but also it integrates many of the facets of ITA's organizational efforts into one seamless and unified informational space.

**Department of Commerce
International Trade Administration
Executive Direction and Administration
INCREASE FOR FY 2004
Enterprise Information Technology (IT) Security Improvements
(Dollar Amount in Thousands)**

		FY 2004 Base		FY 2004 Estimate		Increase	
		Personnel	Amount	Personnel	Amount	Personnel	Amount
Improve Customer and Stakeholder Satisfaction	<u>Pos./BA</u>	138	22,069	142	25,814	4	3,745
	<u>FTE/Obl.</u>	138	22,069	141	25,814	3	3,745

Enterprise Information Technology (IT) Security Improvements: 3 FTE + \$3,745,000

ITA increasingly depends on information technology, especially on the Internet and web-based applications, to support internal activities, deliver information products and services to customers, collaborate with partners, and communicate with constituents and stakeholders. As a result, ITA information assets are subject to the increasing risks associated with the Internet, and require substantially improved protection from the both the internal and external threats inherent in a globally interconnected environment. These ITA systems contain information and data of a sensitive nature including client proprietary data, trade negotiations strategies, and trade agreement compliance data, all of which require proper safeguards.

Improve Customer and Stakeholder Satisfaction: To meet these requirements, as well as to address Federal IT security mandates, such as the Government Information Security Reform Act (GISRA), ITA proposes a comprehensive, program-based approach to strengthen its enterprise security capability. This approach is organized around needed improvements identified in two independent reviews of ITA security conducted during the past two years:

- (1) GAO’s review, Information Security – Weaknesses Place Commerce Data and Operations at Serious Risk (GAO-01-751), of IT security in Herbert C. Hoover building-based Commerce units, which included ITA,
- (2) A contractor-performed evaluation of ITA systems and IT security program conducted using the Federal IT Security Framework (NIST Special Publication 800-26).

ITA seeks to implement nine programs that can be grouped under three activities as follows:

Strengthen Technical Controls – by implementing enterprise security capabilities and correcting system deficiencies

- Intrusion Detection System Implementation and Maintenance– acquire the hardware, software, maintenance and services to prevent, detect and respond to security incidents.
- System Security Control Implementation– provide additional security mechanisms, such as the ability to remotely monitor and manage the infrastructure that will further safeguard ITA information systems.

Establish Management Framework– by staffing a program office and implementing repeatable management processes

- Security Program Implementation– staff and manage the overall ITA security program and satisfy the ongoing annual assessment and reporting requirements of the Federal Information Security Management Act (FISMA).
- Security Policies and Procedures Implementation and Maintenance– ensure appropriate guidelines are in place, updated and complied with during the entire system life cycle to safeguard government information assets.
- System Certification and Accreditation- acquire the tools and services to satisfy Federal and Departmental requirements as expressed by policies and procedures.
- Contingency/Disaster Recovery Plan Testing and Updating– periodically test Contingency/Disaster Recovery Plans to ensure that certified and accredited ITA systems are prepared for unforeseeable circumstances.
- Security Training and Awareness– promote employee/contractor security awareness through a comprehensive, annual training program.

Enable Sustained Improvement – by adopting best practices

- IT Operations Management Best Practice Implementation– increase availability of secure IT systems and services supporting business needs while reducing overall total cost of ownership, by implementing and sustaining proven processes for secure IT management operations.
- System Security Analysis– establish a proactive approach to security, by acquiring the hardware, software and services to remotely monitor the security status of all IT systems, and feed back evaluative data into the security planning process.

Implementation of these programs will provide improved protection for critical information resources, which will lead to increased availability of information to support customer and staff requirements, which will result in enhanced efficiency and effectiveness for ITA operations. These results will positively impact ITA's performance goal to Improve Customer and Stakeholder Satisfaction.

Related outcomes include:

- Critical system deficiencies are avoided,
- The probability of incidents is dramatically reduced,
- Federal and Departmental policies are complied with, and
- Legislative mandates are satisfied.

A combination of in-house and contract staff will be used to initiate, develop and implement these nine programs. One program management staff and up to ten technical positions (4 positions/ 3 FTE, 6 contract staff) will support the activity. The in-house staff will perform all inherently governmental functions. The scope of these programs includes the most urgent needs identified by GAO, such as intrusion detection, system certification/accreditation, disaster recovery/contingency planning and continuous system maintenance.

Implementing all nine programs by the end of FY 2004 ensures creation of a "best practices" approach to security with a significant reduction in out-year costs. Out-year costs beginning in FY 2005 are based on an assumed "steady-state" environment with all deficiencies corrected and a strong corporate program in place to sustain the overall effort, apply lessons learned, assess and upgrade/replace technology and respond to changes in the threat environment. Delaying implementation of the complete FY 2004 program could increase out-year costs and continue exposure of ITA to unnecessary levels of risk.

Performance Measures	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
IT Security Maturity Level (Note 1)	Level 3	Level 3.5	Level 4	Level 4.5	Level 5
<u>Cost and Benefits:</u>					
Capitalized	1,095	200	200	200	200
Uncapitalized	2,650	1,125	1,125	1,125	1,125
Total	3,745	1,325	1,325	1,325	1,325
Budget authority	3,745	1,325	1,325	1,325	1,325
Outlay	2,622	1,677	1,567	1,325	1,325
FTE	3	4	4	4	4

Note 1

Based on the Federal IT Security Assessment Framework and National Institute of Standards & Technology's Special Publication 800-26, *Security Self-Assessment Guide for Information Technology Systems*, the levels specified reflect goals established by the Department's Chief Information Officer for all Department of Commerce operating units to benchmark their security levels.

**Department of Commerce
International Trade Administration
Operations and Administration
PROGRAM CHANGE PERSONNEL DETAIL**

Activity: Executive Direction and Administration
Subactivity: Improve Customer and Stakeholder Satisfaction
Program Change: Enterprise Information Technology (IT) Security Improvements

Title:	Grade	Number	Annual Salary	Total Salaries
Supervisory IT Security Specialist	GS-14	1	80,690	80,690
Senior IT Security Planner	GS-13	1	68,283	68,283
IT Security Specialist (Audit)	GS-13	1	68,283	68,283
Network Security Specialist	GS-13	1	68,283	68,283
Total		<u>4</u>		<u>285,539</u>
Less Lapse (25.0%)		(1)		(71,385)
Total full-time permanent:		<u>3</u>		<u>214,154</u>
FY 2004 Pay Adjustment (2.0%)				4,283
Total		<u>3</u>		<u>218,437</u>

Personnel Data

Full-Time Equivalent Employment				
Full-Time permanent		3		
Other than full-time permanent		<u>0</u>		
Total		3		
Authorized Positions:				
Full-Time permanent		4		
Other than full-time permanent		<u>0</u>		
Total		4		

Exhibit 15

**Department of Commerce
International Trade Administration
Operations and Administration
PROGRAM CHANGE DETAIL BY OBJECT CLASS
(Dollar amounts in thousands)**

Activity: Executive Direction and Administration
Subactivity: Improve Customer and Stakeholder Satisfaction
Program Changes: Enterprise Information Technolgy (IT) Security Improvements

<u>Object Class</u>	2004 Increase
11 Personnel compensation	0
11.1 Full-time permanent	218
11.3 Other than full-time permanent	0
11.5 Other personnel compensation	0
11.8 Special personnel services payments	0
11.9 Total personnel compensation	218
12.1 Civilian personnel benefits	56
13 Benefits for former personnel	0
21 Travel and transportation of persons	15
22 Transportation of things	0
23.1 Rental payments to GSA	0
23.2 Rental payments to others	0
23.3 Communications, Utilities and miscellaneous charges	6
24 Printing and reproduction	5
25.1 Consulting services	1
25.2 Other services	2,339
25.3 Purchase of goods and services	0
26 Supplies and materials	10
31 Equipment	1,095
32 Lands and structures	0
33 Investments and loans	0
41 Grants, subsidies and contributions	0
42 Insurance claims and indemnities	0
43 Interest and dividends	0
44 Refunds	0
99 Total obligations	3,745

Department of Commerce
International Trade Administration
Operations and Administration
REQUIREMENTS BY OBJECT CLASS
(Dollar amounts in thousands)

<u>Object Class</u>	<u>2002</u> <u>Actual</u>	<u>*2003</u> <u>Estimate</u>	<u>2004</u> <u>Base</u>	<u>*2004</u> <u>Estimate</u>	<u>Increase/</u> <u>(Decrease)</u>
11 Personnel compensation					
11 Full-time permanent	136,625	149,739	148,473	148,691	218
11 Other than full-time permanent	8,514	7,884	7,884	7,884	0
12 Other personnel compensation	4,500	5,582	5,582	5,582	0
12 Special personnel services payments	0	200	200	200	0
12 Total personnel compensation	149,639	163,405	162,139	162,357	218
12 Civilian personnel benefits	38,380	39,614	39,385	39,441	56
13 Benefits for former personnel	2,555	688	600	600	0
21 Travel and transportation of persons	15,278	16,690	15,122	15,137	15
22 Transportation of things	2,857	3,228	3,153	3,153	0
23 Rental payments to GSA	16,775	18,353	18,306	18,306	0
23 Rental payments to others	5,376	8,186	8,096	8,096	0
23 Commun., util., misc. charges	10,077	8,379	7,965	7,971	6
24 Printing and reproduction	2,569	3,349	3,159	3,164	5
25 Consulting services	1,015	535	1,135	1,136	1
25 Other services	24,842	51,972	48,982	51,322	2,339
25 Purchase of goods and services from Gov't accounts	59,685	53,134	55,189	55,189	0
26 Supplies and materials	7,088	5,627	5,264	5,274	10
31 Equipment	8,028	8,550	8,283	9,378	1,095
32 Lands and structures	0	0	0	0	0
33 Investments and loans	0	0	0	0	0
41 Grants, subsidies and contributions	21,548	3,886	1,500	1,500	0
42 Insurance claims and indemnities	125	50	50	50	0
43 Interest and dividends	4	50	50	50	0
Advances	0	0	0	0	0
44 Refunds	0	0	0	0	0
99 Total Direct Obligations	365,843	385,696	378,378	382,123	3,745
FY 2002 Actual Recoveries	0	0	0	0	0
Grand Total Direct Obligations	365,843	385,696	378,378	382,123	3,745

*FY 2004 and FY 2003 Object Class figures differ in some places from that reflected in the President's Budget Appendix due to more recent data.

Department of Commerce
International Trade Administration
Operations and Administration
REQUIREMENTS BY OBJECT CLASS
(Dollar amounts in thousands)

<u>Object Class</u>	<u>2002</u> <u>Actual</u>	<u>2003</u> <u>Currently Available</u>	<u>2004</u> <u>Base</u>	<u>*2004</u> <u>Estimate</u>	<u>Increase/</u> <u>(Decrease)</u>
<u>Personnel Data</u>					
Full-Time equivalent Employment:					
Full-time permanent	2,120	2,407	2,437	2,440	3
Other than full-time permanent	110	110	110	110	0
Total	2,230	2,517	2,547	2,550	3
Authorized Positions:					
Full-time permanent	2,579	2,705	2,705	2,709	4
Other than full-time permanent	75	75	75	75	0
Total	2,654	2,780	2,780	2,784	4

**Department of Commerce
International Trade Administration
Operations and Administration
DETAILED REQUIREMENTS BY OBJECT CLASS
(Dollar amounts in thousands)**

<u>Object Class</u>	<u>2004 Adjustments to Base</u>	<u>2004 Base</u>	<u>*2004 Estimate</u>	<u>Increase/ (Decrease)</u>
11 Personnel compensation				
11.1 Full-time permanent				
Executive level	23	684	684	0
Senior Executive Service	192	4,950	4,950	0
General schedule	3,504	93,304	93,522	218
Senior Foreign Service	109	3,201	3,201	0
Foreign Service Staff	853	21,075	21,075	0
Foreign Service Nationals	1,127	25,259	25,259	0
Subtotal	5,808	148,473	148,691	218
11.3 Other than full-time permanent				
General schedule	0	7,884	7,884	0
Experts & consultants	0	0	0	0
Subtotal	0	7,884	7,884	0
11.5 Other personnel compensation				
Overtime	0	2,212	2,212	0
Cash awards	0	3,370	3,370	0
Subtotal	0	5,582	5,582	0
11.8 Special personnel services payments				
Foreign service officers (State)	0	200	200	0
Other	0	0	0	0
Subtotal	0	200	200	0
11.9 Total personnel compensation	5,808	162,139	162,357	218
12.1 Civilian personnel benefits				
Civil service retirement	(334)	1,633	1,633	0
Federal Employee Retirement	511	10,163	10,187	24
Thrift savings plan	81	3,173	3,177	4
Federal insurance contribution act	168	6,742	6,756	14
Health insurance	972	8,623	8,633	10
Life insurance	0	237	237	0
Employees comp fund (bec)	201	881	881	0
Other	0	7,933	7,937	4
Subtotal	1,599	39,385	39,441	56
13.0 Benefits for former personnel				
Serverance pay	0	600	600	0
Unemployment compensation	0	0	0	0
Subtotal	0	600	600	0

21	Travel and transportation of persons				
	Common Carrier	0	6,468	6,468	0
	Mileage	19	344	344	0
	Per diem/actual	0	4,834	4,834	0
	Vehicular	0	190	190	0
	Other	0	3,286	3,301	15
	[Overseas estimates]	[0]	[3267]	[3267]	[0]
	Subtotal	19	15,122	15,137	15
22	Transportation of things	29	3,153	3,153	0
	[Overseas estimates]	[0]	[699]	[699]	[0]
	Subtotal	29	3,153	3,153	0
23.1	Rental payments to GSA	533	18,306	18,306	0
23.2	Rental payments to others	96	8,096	8,096	0
23.3	Communications, utilities and miscellaneous charges				
	Rental of ADP equipment	5	758	758	0
	Rental of office copying equipment	0	796	802	6
	Other equipment rental	0	845	845	0
	Federal telecommunications system	0	813	813	0
	Other telecommunications services	0	2,308	2,308	0
	Postal services by USPS	62	771	771	0
	Other	177	1,674	1,674	0
	[Overseas estimates]	[0]	[6,756]	[6,756]	[0]
	Subtotal	244	7,965	7,971	6
24	Printing and reproduction				
	Publications	30	1,837	1,837	0
	Public use forms	0	120	120	0
	Envelopes	10	38	38	0
	Other	0	1,164	1,169	5
	[Payments to GA, WCF]	0	[1,752]	[0]	[0]
	[Overseas estimates]	[0]	[428]	[428]	[0]
	Subtotal	40	3,159	3,164	5
25.1	Consulting services	8	1,135	1,136	1
25.2	Other services				
	Training:				
	University training	0	365	376	11
	Other	615	3,565	3,575	10
	Maintenance of equipment	225	2,693	2,693	0
	Other non-governmental contracts	0	17,834	17,834	0
	Representation	0	387	387	0
	Other	772	24,138	26,456	2,318
	[Overseas estimates]	[0]	[0]	[0]	[0]
	Subtotal	1,612	48,982	51,321	2,339

25.3	Purchases of goods & services from Gov't accounts				
	Office of Personnel Management Training	3	93	93	0
	GSA reimbursable services	0	320	320	0
	Commerce Administrative Management System (CAM)	0	633	633	0
	Department of Interior	0	2,870	2,870	0
	Payment to GA, WCF	1,510	19,727	19,727	0
	Other Misc. services by other Federal Agencies	NA	NA	NA	NA
	International Cooperative Support Services (ICASS)	3,096	31,546	31,546	0
	Subtotal	4,609	55,189	55,189	0
26	Supplies and materials				
	Office Supplies	0	2,378	2,388	10
	ADP supplies	0	1,436	1,436	0
	Other	41	1,450	1,450	0
	[Overseas estimates]	[0]	[1,840]	0	0
	Subtotal	41	5,264	5,274	10
31	Equipment				
	Office machines and equipment	0	2,778	2,778	0
	ADP hardware	0	2,545	2,755	210
	ADP software	0	1,702	2,587	885
	Other	62	1,258	1,258	0
	[Overseas estimates]	[0]	[3,092]	0	0
	Subtotal	62	8,283	9,378	1,095
32	Lands and structures	0	0	0	0
	Subtotal lands and structures	0	0	0	0
33	Investments	0	0	0	0
41	Grants, subsidies and contributions	0	1,500	1,500	0
42	Insurance claims and indemnities	0	50	50	0
43	Interest/dividends..	0	50	50	0
44	Refunds	0	0	0	0
81	Advances	0	0	0	0
99	Total Direct Obligations	14,700	378,378	382,123	3,745

*FY 2004 Object Class figures differ in some places from that reflected in the President's Budget Appendix due to more recent data.

Personnel Data

Full-Time equivalent Employment:

Full-time permanent	30	2,437	2,440	3
Other than full-time permanent	0	110	110	0
Total	30	2,547	2,550	3

Authorized Positions:

Full-time permanent	0	2,705	2,709	4
Other than full-time permanent	0	75	75	0
Total	0	2,780	2,784	4

Appropriation Language and Code Citations:

Exhibit 33

1. "For necessary expenses for international trade activities of the Department of Commerce provided for by law, and for engaging in trade promotional activities abroad, including expenses of grants and cooperative agreements for the purpose of promoting exports of United States firms,

15 U.S.C. 649b
15 U.S.C. 1501 et seq.
15 U.S.C. 1871
15 U.S.C. 4001 et seq.
15 U.S.C. 4011 et seq.
19 U.S.C. 8 la et seq.
19 U.S.C. 1202 nt.
19 U.S.C. 1303
19 U.S.C. 1671 et seq.
19 U.S.C. 1673 et seq.
19 U.S.C. 2031
19 U.S.C. 2155
19 U.S.C. 2354
19 U.S.C. 2411 et seq.
22 U.S.C. 2451 et seq.
22 U.S.C. 2651 et seq.
22 U.S.C. 3101 et seq.

15 U.S.C. 649b authorizes the Secretary of Commerce to award grants (including contracts and cooperative agreements) to encourage the development and implementation of small business international marketing programs.

15 U.S.C. 1501 et seq. provides the basic authority for performance of those functions and activities of ITA which promote an improved trade posture for United States industry.

15 U.S.C. 1871 provides the authority for an annual, comprehensive assessment of the state of the automobile industry and its interaction in an integrated economy.

15 U.S.C. 4001 et seq., 4011 et seq. (Export Trading Company Act of 1982) requires the establishment of an antitrust certification program and the promotion of export trading companies.

19 U.S.C. 81a et seq. establishes the Foreign-Trade Zones Board and designates the Secretary of Commerce as chairman and executive officer of the Board.

19 U. S.C. 1202 general note provides the Department of Commerce with the authority to develop, maintain, and publish a list of bona fide motor-vehicle manufacturers.

19 U.S.C. 1202 notes provides authority for two import control programs, the Watch Quota program and the Florence Agreement program.

19 U.S.C. 1303 authorizes the investigation as to whether a foreign government has paid or is paying a bounty or grant upon the manufacture, production, or export of merchandise imported into the United States, and if so, requires the determination and imposition of countervailing duties upon such merchandise. This section is limited to merchandise from a country not covered by the Agreement on Subsidies and Countervailing Measures or from a country which has not assumed obligations similar to those contained in such Agreement.

19 U.S.C. 1671 et seq. authorizes the investigation as to whether a foreign government has paid or pays a subsidy upon the manufacture, production, or export of merchandise imported into the United States, and if the International Trade Commission finds requisite injury, requires the determination and imposition of countervailing duties upon such merchandise. This section applies to merchandise from countries covered by the Agreement on Subsidies and Countervailing Measures or from countries which have assumed obligations similar to those contained in the Agreement.

19 U.S.C. 1673 et seq. authorizes the investigations as to whether foreign merchandise is, or is likely to be, sold in the United States at less than fair value and if the International Trade Commission finds requisite injury, requires the determination and imposition of antidumping duties upon such merchandise.

19 U.S. C. 2031 provides the authority to promulgate rules and regulations pertaining thereto under the Automotive Products Trade Act of 1965 (19 U. S. C. 2001 et seq.).

19 U.S.C. 2155 authorizes the President to organize through the U.S. Trade Representative and the Secretaries of Commerce, Labor, Agriculture, the Treasury, or other executive departments, as appropriate, general policy advisory committees composed of representatives of all industry, labor, agricultural, service, investment, defense, and other interests.

19 U.S.C. 2155 also authorizes the President to organize, through the U.S. Trade Representative and the Secretaries of Commerce, Labor, Agriculture, the Treasury, or other executive departments, as appropriate, sectoral or functional advisory committees composed of representatives from industry, labor, agriculture, and services. These committees provide policy and technical advice on international trade negotiating objectives and bargaining positions, the operation of trade agreements, and with respect to other matters involving the development, implementation, and administration of U.S. trade policy.

19 U.S.C. 2354 requires the Bureau of Industrial Economics to prepare studies, reports, and information activities for the Secretary of Commerce in response to investigations and findings of the International Trade Commission under 2252 of Title 19 to determine eligibility for adjustment assistance, except that reports

to be submitted to the President shall be issued by the Secretary, and responsibility for assistance in preparation and processing of petitions and applications under Subsection 264 (c) shall be vested in the Assistant Secretary for Economic Development.

19 U.S.C. 2411 et seq. provides procedures for determinations and actions to be taken to enforce the rights of the United States under any trade agreement, or to respond to any act, policy, or practice of a foreign country that is inconsistent with the provisions or any trade agreement, that burdens or restricts United States commerce.

22 U.S.C. 2451 et seq. authorizes the President to provide for U.S. participation in international fairs and expositions, including trade and industrial fairs and other public or private demonstrations of U.S. economic accomplishments. ITA provides a wide range of trade exhibitions overseas.

22 U.S.C. 2651 et seq. establishes the Department of State and provides authority for a number of overseas operations. Reorganization Plan No. 3 of 1979 and Executive Order 12188 authorize the utilization of certain of these authorities in connection with the operation of the Foreign Commercial Service.

22 U.S.C. 3101 et seq. authorizes the President to conduct surveys and studies of both United States direct investment abroad as well as foreign direct and portfolio investment in the United States. ITA monitors, analyzes, and reports to Congress on specific aspects of international investment which may have significant implications for the economic welfare and national security of the United States.

40 U.S.C. 512 provides authority for the administration of the Foreign Excess Property program.

2. A without regard to the provisions of law set forth in 44 U.S.C. 3702 and 3703;

No Specific Authority

44 U.S.C. 3702 specifies that an executive department may not publish or pay for advertisements without written authority from the head of that department.

The nature of ITA's overseas exhibition program requires maximum flexibility in advertising requirements since exhibitions may be changed, added, or canceled. When such changes take place, advertisements must be placed as soon as possible to inform the local business community. This exception from 44 U.S.C. 3702 will provide the flexibility which is required to effectively advertise for these exhibitions.

44 U.S.C. 3703 stipulates that prices paid for advertising may not exceed the commercial rates charged to provide individuals, with the usual discounts. Since the United States Government does not have sovereign status in other countries and is charged commercial rates without the discounts required by 44 U.S.C. 3703, this exception is necessary to permit contracting in a manner which conforms to the realities of foreign advertising markets.

3. "full medical coverage for dependent members of immediate families of employees stationed overseas and employees temporarily posted overseas;"

No Specific Authority

This language permits the International Trade Administration to extend to certain of its overseas employees the same benefits afforded domestically employed Federal employees and employees of ITA's Foreign Commercial Service in equivalent positions overseas.

4. "travel and transportation of employees of the United States and Foreign Commercial Service between two points abroad, without regard to 49 U.S.C. 40118;"

No Specific Authority

In 1979, the Congress exempted Foreign Service agencies from the requirement that government travel between two points outside the United States be accomplished by U.S. air carrier. This phrase clarifies that the U.S. and Foreign Commercial Service is included in the exemption and overturns a Comptroller General decision to the contrary.

5. "employment of Americans and aliens by contract for services;"

No Specific Authority

44 CG 761, OPM guidance, and House Report 89-188 have concluded that Federal agencies must have specific authority to employ personnel by contract. In order to present its overseas exhibitions ITA often requires the use of narrators, demonstrators, receptionists, clerical, and facilities maintenance personnel who speak the language of the host country; are familiar with local practices and procedures; or who only need to be employed for a short period of time. In some cases, however, it is more advantageous to employ U.S. citizens in the host country (generally members of an employee's family) because they have greater familiarity with American methods and, therefore, require less effort to train.

6. A rental of space abroad for periods not exceeding 10 years, and expenses of alternation, repair, or improvement;"

No Specific Authority

Buildings, pavilions, and space in such structures must be rented for exhibitions. Rental terms are established by fair authorities. The program may desire to exhibit at certain fairs which support ITA's trade development objectives. The installation of exhibits in rented buildings requires that certain alterations and improvements be made. To limit expenditures for such alterations and improvements would seriously restrict the quality and effectiveness of the exhibitions.

7. A purchase or construction of temporary demountable exhibition structures for use abroad;"

No Specific Authority

40 U.S.C. 601 prohibits the construction of public buildings except by the Administrator of the General Services Administration. Authority to purchase or

construct such demountable structures in necessary to allow ITA to present exhibitions overseas when permanent exhibition facilities are not available. 41 U.S.C. 10a permits the purchase of articles, materials, or supplies in foreign countries when they are to be used in that country.

8. A payment of tort claims, in the manner authorized in the first paragraph of 28 U.S.C. 2672 when such claims arise in foreign countries;”

No Specific Authority

28 U.S. C. 2672 provides for settlement of tort claims for money damages of \$25,000 or less against the Unites States by the head of each federal agency for loss of property or personal injury or death caused by a negligent or wrongful act of any employee of the Government while acting within the scope of his employment in circumstances where the Unites States, if a private person, would be liable under local law. However, 28 U.S.C. 2680 exempts the

settlement of tort claims which arise abroad from the provisions of 28 U.S.C. 2672. The language requested would exempt ITA from 22 U.S.C. 2680 and would cover the settlement of tort claims against the United States which arise in connection with the ITA’s trade promotion activities abroad.

9. A not to exceed \$327,000 for official representation expenses abroad;”

No Specific Authority

5 U.S.C. 5536 prohibits additional pay, extra allowances, or compensation unless the appropriation explicitly states that it is for such additional pay, extra allowances, or compensation.

10. A purchase of passenger motor vehicles for official use abroad, not to exceed \$30,000 per vehicle; obtaining insurance on official motor vehicles, and rental of tie lines;”

No Specific Authority

31 U.S.C. 1343 authorizes the purchase of passenger motor vehicles and purchase of motor vehicles for law enforcement use of the U.S. Capitol Police without regard to any price limitation otherwise established by law.

This section also prohibits the purchase of passenger motor vehicles unless specifically authorized by the appropriation concerned or other law with the exception of those for the use of the President of the United States, the secretaries to the President or the head of certain executive departments.

11. A \$395,123,000 to remain available until expended;”

No Specific Authority

31 U.S.C. 1301(c) provides that an appropriation in a regular, annual appropriation law may be construed to be permanent or available continuously if the appropriation expressly provides that it is available after the fiscal year covered by the law in which it appears.

12. A provided further, That the provisions of the first sentence of section 105(f) and all of section 108(c) of the Mutual Educational and Cultural Exchange Act of 1961 (22 U.S.C. 2455(f) and 2458(c)) shall apply in carrying out these activities without regard to section 5412 of the Omnibus Trade and Competitiveness Act of 1988 (15 U.S.C. 4912);

No Specific Authority

22 U.S.C. 2455(f) provides authority to accept contributions of funds, property and services from foreign governments, international organizations and private individuals, firms, associations, agencies, and other groups in carrying out the activities concerned with exhibits pursuant to the Mutual Educational and Cultural Exchange Act of 1961.

22 U.S.C. 2458(c) provides authorization for all necessary expenditures involved in the selection, purchase, rental, construction, or other acquisition of exhibitions and the necessary supplies therefor.

13. A and that for the purpose of this Act, contributions under the provisions of the Mutual Educational and Cultural Exchange Act shall include payment for assessments for services provided as part of these activities.”

This phrase provides for extension of this authority and permits ITA to collect funds for use in conducting trade promotion events abroad.

Department of Commerce
 International Trade Administration
 Operations and Administration
CONSULTING AND RELATED SERVICES
 (Obligations in thousands)

	2002	2003	2004
	<u>Actual</u>	<u>Estimate</u>	<u>Estimate</u>
Management and professional support services	\$965	\$984	\$992
Studies, and analysis evaluations	123	116	116
Engineering and technical service	<u>27</u>	<u>27</u>	<u>27</u>
Total	\$1,015	\$1,127	\$1,135

ITA uses consulting services to meet relatively short-term requirements for industry and/or economic expertise. Because of various ITA programs which focus on very narrow areas (specific export promotion events, negotiations, antidumping and countervailing duty cases), it is preferable to maintain the ability to obtain short-term expertise rather than a permanent staff capacity.

Management and professional services: These services provide technical expertise, interpretation and stenographic services.

Department of Commerce
 International Trade Administration
 Operations and Administration
PERIODICALS, PAMPHLETS, AND AUDIOVISUAL PRODUCTS
 (Obligations in Thousands)

	2001 <u>Actual</u>	2002 <u>Actual</u>	2003 <u>Estimate</u>	2004 <u>Estimate</u>
Periodicals	\$188	\$584	\$667	\$696
Pamphlets	237	187	280	230
Audiovisuals	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>
Total	\$425	\$776	\$947	\$921

ITA publications, periodicals as well as pamphlets, are one of the most essential tools which the organization fulfills its mission to carry out the U.S. Government's nonagricultural trade activities, to encourage and promote U.S. exports of manufactured goods, to administer U.S. statutes and agreements dealing with foreign trade, and to advise on U.S. international and domestic trade and commercial policy. Periodicals include Export America, BuyUSA Materials, and Core Materials.

Individual publications include economic and market research studies, and foreign direct investment reports. These publications play an essential role in keeping the business public informed on particular aspects of the global business picture, which ITA is charged with disseminating.

Department of Commerce
 International Trade Administration
 Operations and Administration
AVERAGE GRADE AND SALARIES

	2002	2003	2004
	<u>Actual</u>	<u>Estimate</u>	<u>Estimate</u>
Direct:			
Average ES salary	\$132,006	\$136,098	\$139,364
Average GS grade.....	11.94	11.94	11.94
Average GS salary	\$62,684	\$64,627	\$66,178
Average grade and salary established by the Foreign Service Act of 1980 (U.S.C. 801-1158):			
Average Senior Foreign Service salary	\$126,394	\$130,312	\$133,439
Average Foreign Service grade	2.37	2.37	2.37
Average Foreign Service salary	\$81,010	\$83,521	\$85,525
Average salary in foreign countries	\$43,085	\$44,377	\$45,708