United States International Trade Commission

Budget Justification

Executive Summary

Fiscal Year 2018

Table of Contents

Introduction

Mission

In accordance with its statutory mandate, the U.S. International Trade Commission (USITC or Commission) (1) determines whether imports injure a domestic industry or violate U.S. intellectual property (IP) rights; (2) provides independent tariff, trade, and competitiveness-related analysis and information; and (3) maintains the U.S. tariff schedule.

Responsibilities and Goals

We are an independent, quasi-judicial federal agency with specific responsibilities under U.S. trade laws, as listed in our Mission. The program activities we conduct to carry out these responsibilities are guided by two strategic goals:

Our first goal: to produce sound, objective, and timely decisions (determinations) in our trade-related investigations. These investigations fall into two major classes: (1) **antidumping and countervailing duty (AD/CVD) investigations and reviews** that are conducted pursuant to Title VII of the Tariff Act of 1930, and (2) **investigations into unfair practices in import trade**, usually based on violations of IP rights that are conducted pursuant to section 337 of the Tariff Act of 1930.

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

We also regularly review existing antidumping and countervailing duty orders. Within these reviews, the question is whether an order can be safely revoked: in other words, would revoking it mean that a U.S. industry would be likely to keep suffering material injury due to unfairly traded imports? Or if the material injury has stopped, might it recur after the order is revoked? If the Commission determines that revocation is appropriate, the U.S. Department of Commerce will revoke the order.

Section 337 investigations examine unfair practices in import trade. Most often, we investigate and rule on allegations that imported goods infringe the rights of a U.S. IP holder. If a violation is found, the Commission issues remedial relief in the form of exclusion orders barring entry of unfairly traded imports and cease and desist orders prohibiting unfair acts in the United States.

We typically launch AD/CVD and section 337 investigations in response to complaints and petitions to protect domestic industries from unfairly traded imports. Given the changing role of trade in the U.S. and world economies, this work is important in several ways:

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

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

Our second goal: to produce objective and high-quality analysis of tariff, trade, and competitiveness issues for the executive branch and Congress. By law whenever requested, we must present the President, the U.S. Trade Representative, the House Committee on Ways and Means, and the Senate Committee on Finance with information at our command on any matter related to international trade and industry competitiveness. Federal decision makers can then use our analyses to help inform U.S. decisions on trade policy and international trade negotiations.

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

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

Most requests for both analytic investigations and informal assistance come to us from the House Committee on Ways and Means, the Senate Committee on Finance, and the U.S. Trade Representative. Other investigations are required by statute or are self-initiated. Our requestors recognize that, as a result of our economic and trade expertise, we can generate primary data, analyze specific industries, and provide insights unavailable elsewhere. We also find or develop new tools for analysis, such as our economic models and techniques for measuring the impact of nontariff barriers. Our research covers thousands of industries and nearly all countries.

In fiscal years (FY) 2015 and 2016, we responded to a number of requests requiring us to develop new information and analysis on a variety of topics. For example, we issued reports on the effects of U.S. trade restrictions on Cuba, the likely impact of the Trans-Pacific Partnership Agreement on the U.S. economy, the economic impact of trade agreements implemented under trade authorities procedures, and trade and investment policies in India. We also began evaluating competitive conditions affecting the U.S. aluminum industry.

As a vital part of our second goal, we maintain and analyze the **Harmonized Tariff Schedule of the United States** (HTS). The HTS is the official document that sets out the classifications of imported goods and the applicable U.S. tariff that applies to each category. We make sure that the tariff schedule is up to date and accurate, that it fully reflects all the trade agreements the United States has implemented, and that the classifications are in the interests of U.S. producers and manufacturers. In this way, we see to it that the HTS meets the tariff and trade information needs of a wide range of users, including U.S. exporters and importers, Customs and Border Protection staff, and decision makers in Congress and the executive branch.

In 2016, the American Manufacturing Competitiveness Act gave us an additional tariff-related task: we are now responsible for accepting petitions and comments from U.S. firms asking Congress to temporarily suspend or reduce specific tariff duties. We are also charged with vetting each petition. Firms typically seek this temporary relief for imported materials that they use in producing other products or sell to the consumer. Once we have scrutinized the petitions, we must submit preliminary and final reports to House and Senate committees so they can use them to develop a comprehensive “miscellaneous tariff bill” for Congress to consider.

To meet our mission, we must maintain the staff, analytic tools, and other resources needed to conduct fair and efficient investigations, as well as provide high-quality and objective information and analysis on a wide array of issues. We need to continue investing in the development of highly skilled analysts, economists, and lawyers; creating new databases and data systems; collaborating with other organizations to enhance our own research; and acquiring or upgrading advanced analytic tools.

Our management goal is to achieve agencywide efficiency and effectiveness in fulfilling our mission. Detailed performance goals for programmatic and management activities are presented in our FY 2016 and 2017 Annual Performance Plan and Annual Performance Report, which can be found at https://www.usitc.gov/strategic_plan.htm.

Budget Highlights

For FY 2018, the Commission requests $93.7 million to carry out our statutorily mandated functions. This request represents a $4.5 million, or five percent, increase over the anticipated FY 2017 budget of $89.2 million. The request is driven by the need to restore funding to areas from which resources were taken to fund implementation of the American Manufacturing Competitiveness Act of 2016 (AMCA), which is discussed below in further detail. We estimate the FY 2016–17 AMCA costs to be $3.8 million and because funding was not provided, the agency was forced to absorb the costs. In FY 2017, staffing capacity in our Office of Operations was diverted to fulfill our AMCA responsibilities during a time of historically high import injury and unfair import (intellectual property) investigation caseloads. Several critical information technology (IT) projects were cancelled or postponed so resources could be diverted to focus on development of the web portal required by the AMCA to accept requests for temporary duty suspension or reduction.

Proposed FY 2018 personnel costs account for about $1.8 million of the increase over FY 2017. They reflect the increased resources needed to restore and maintain staffing levels in offices where resources were diverted to support AMCA implementation and to fund the cost of the anticipated 1.9 percent pay raise effective January 1, 2018; normal costs for promotions and within-grade increases; and higher benefits costs. Our FY 2017 year-end staffing level is projected to be 381 permanent and term employees, which equates to an agencywide vacancy rate of 11 percent. However, vacancies are not evenly distributed. The Office of Industries, which is indispensable to virtually all of our statutory investigations, such as antidumping/countervailing duty and fact-finding, has a 27 percent vacancy rate. Our staffing plan is to hire a net increase of 11 staff during FY 2018, ending the year with 392 employees. Our human capital strategy for FY 2018 focuses on keeping staffing at the levels needed to perform our statutory mission, notably in the Office of Operations, given the challenges of historically high investigative caseloads and other statutory responsibilities.

Proposed non-personnel expenses account for about $2.7 million of the increase over FY 2017. This amount will pay for IT system and infrastructure maintenance and upgrades and data purchase obligations that were eliminated, deferred, or only partially covered in FY 2017 in order to divert resources to support AMCA implementation. Included are investments in IT infrastructure, equipment, and cybersecurity that will help ensure a secure and efficient network. The increase will also fund our efforts to expand the research and economic analysis capabilities we will need to conduct investigations on proposed changes in trade policy and U.S. competitiveness.

Lease Renewal

In December 2016, we signed a 15-year lease that allows us to meet our space requirements while achieving the best value for taxpayers. We will remain in our current location, which ensures that we have enough space for our public courtroom complex that we use to handle our section 337 caseload and to hold required hearings in antidumping and countervailing duty cases, as well as international trade and industry competitiveness investigations. The estimated savings from this lease agreement is $16 million over the 15-year term that begins in August 2017.

American Manufacturing Competitiveness Act of 2016 (P.L. 114-159)

The AMCA was enacted on May 20, 2016, and established a process by which the USITC must accept and consider petitions for temporary duty suspensions and reductions. The AMCA assigns the USITC significant additional responsibility in the miscellaneous tariff bill (MTB) process. Prior to the AMCA, importers would request that members of Congress introduce bills seeking to temporarily suspend or reduce tariffs on certain imports. The USITC would review and produce reports for Congress on each bill and the individual bills were combined into a single MTB for congressional consideration. Under the new legislation, the USITC is required to create a fully searchable web portal for submission of petitions and comments from the public. Further, we are instructed to conduct two cycles, the first beginning in 2016 and the second beginning in 2019. In each cycle, we have ten months to produce a final report to Congress recommending certain petitions for inclusion in an MTB. Twelve months after enactment of each MTB, we are to submit a report on the economic effects of the duty suspensions and reductions included in the bill.

Prior to the AMCA, the number of MTBs presented to the agency never exceeded 1,350 in any given year. Under the new legislation, we received 2,600 petitions (net of withdrawals) during the 2016 petition submission period, which ended December 12, 2016. We estimate there will be $3.8 million in AMCA costs during the 2016 cycle (which will last until August 2017), consisting of IT costs for building the web portal and staff time dedicated to petition processing, analysis, and reporting. The resources required to implement the AMCA have not yet been provided in an appropriation; a supplemental request for $3.2 million in FY 2017 has not yet been granted. Thus, the costs to implement the AMCA have been absorbed by the agency at the expense of several important IT projects and efforts to increase staffing levels in offices that are facing historically high investigative caseloads.

Postponed IT projects include EDIS E-Service, DataWeb re-engineering, HTS Data Management System improvements, 337Info database improvements, and Title VII information data system creation. These projects continue to face delays in FY 2017 because resources are being diverted to fulfill our responsibilities under the AMCA.

In early FY 2017, we finished hiring a team consisting of 25 staff, primarily temporary employees, to assist with AMCA implementation and MTB processing, analysis, and reporting. Staffing capacity in our Office of Operations was diverted to address AMCA requirements during a time of historically high import injury and unfair import (intellectual property) investigation caseloads. At the end of this petition cycle, we will realign the staffing capacity within our Office of Operations to focus on our investigatory work so that we can continue to produce sound determinations and to avoid missing investigative and other statutory deadlines.

Program Overview

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

Our agency provides a venue for private sector firms to bring allegations of certain unfair and/or injurious trade practices involving imports before an independent, objective, and expert quasi-judicial government body. The Commission’s trade remedy investigations caseload continues to grow in complexity; the number of antidumping/countervailing duty (AD/CVD) investigations hit a 10-year high in FY 2016 and new unfair import matters exceeded the previous peak in FY 2011.

AD/CVD caseload grows

In FY 2016, 18 new petitions were filed under Title VII of the Tariff Act of 1930, the highest in over a decade. These new filings, combined with ongoing investigations and reviews, resulted in 57 instituted and 51 completed proceedings, also the highest levels in over a decade. As with FY 2015, more than half of the new petitions involved imports from multiple countries (as many as 12), with China being listed in 11 of the 18 new petitions. Domestic industries filing petitions in FY 2016 produced a range of products, including various steel products and metals, chemicals, rubber products, textiles, and household appliances. In addition to new investigations, the Commission conducted 11 reviews of existing orders.

During FY 2016, we continued to improve our electronic data collection and processing, streamlined our questionnaires, and revised our process for collecting other investigative data. We also increased the availability of web-based content and conducted a forum to collect input from practitioners on potential improvements in how we conduct public hearings, which occur in most investigations. During FY 2017, we will continue these efforts to emphasize transparency and lessen the burden on participating parties and our staff. In FY 2018, we also anticipate investing in the necessary technology to develop and manage a data system for more complete, timely, and accessible reporting of Title VII investigation information.

Unfair import investigations caseload

Our section 337 process offers a forum where parties may resolve disputes involving unfair acts in the importation of goods, including imports that allegedly infringe U.S. intellectual property (IP) rights. Our process provides a relatively quick resolution of matters that would usually involve more drawn-out litigation in the U.S. district courts. In addition, it supplies unique relief in the form of exclusion of goods at the border. IP-intensive industries account for a large number of high-wage jobs in U.S. industries that generate a trade surplus. In FY 2016, our section 337 workload exceeded the peak level set in FY 2011. The range of technologies covered in these investigations is quite broad, encompassing various electronic devices, pharmaceutical and medical devices, transportation, and consumer products such as footwear, hand dryers, and air mattresses. Although section 337 investigations typically involve patent infringement allegations, the number of investigations based on allegations of trade secret misappropriation, an area of heightened concern for U.S. companies, the Administration, and Congress, is rising.

We continue to work to ensure that section 337 investigations are completed expeditiously, in line with congressional intent. After several years of assembling the necessary staff and courtroom resources to handle the section 337 workload, we are now focusing on making the section 337 process more efficient and less costly for both litigants and the agency. Our efforts include improvements to our rules of procedure, procedural pilot programs, and substantial investments over the past few years in our Electronic Document Information System (EDIS). Further, in FY 2018 we plan to implement electronic service of documents in EDIS. We also developed a new, publicly available information system, 337Info, which places more detailed information before the public about investigations instituted since October 1, 2008. 337Info offers scheduling and staffing information for all these investigations, party and counsel information, as well as information about the unfair acts alleged for each investigation, how the investigations were disposed of with respect to each party, and appeals.

EDIS and 337Info have helped us better manage our large volume of investigation-related materials while making our investigative process more transparent. These systems are also Open Data compliant, which furthers our efforts to improve the accessibility and usability of our data to other agencies and the public. Continued funding of these types of improvements will help us address the challenges of resolving section 337 matters expeditiously, consistent with congressional intent.

Tariff, Trade, and Competitiveness-Related Analysis and Information

Our agency supplies the executive branch and Congress with objective analyses of significant trade issues of the day. We provide industry and economic analysis, tariff and trade information, and trade policy support through formal investigations and informal expert advice. Given our unique economic and trade expertise, we are able to offer leading-edge insights that support the development of sound U.S. trade policy. We also maintain and update the Harmonized Tariff Schedule of the United States (HTS).

U.S. Customs and Border Protection relies upon the HTS to collect tariff revenues on imported goods and private firms use it to identify the current and future tariff amounts they will pay on imported goods. U.S. exporters and importers depend on our work in the World Customs Organization to ensure that global tariff product classification ("nomenclature") is up to date and takes into account industry interests and changing patterns of trade.

We continue to develop new approaches in our industry and economic analysis

International trade touches nearly all sectors of the U.S. economy. As with section 337 and Title VII investigations, we must constantly develop and refine our capabilities to meet requests for increasingly complex analyses in emerging areas of international trade, trade policy, and competitiveness. When information is not available from other sources, we gather primary data to provide unique insights into emerging issues, gathering this information via a variety of instruments, including carefully crafted industry surveys. Our staff also develops new methods or approaches to craft high-quality economic analysis. For example, in estimating the costs and benefits of trade agreements, we have found it increasingly important to account for nontariff issues and concessions. Assessing the impact of such changes is considerably more challenging than examining tariff concessions. During FY 2016, we applied new modeling approaches to assess the economic effects of the Trans-Pacific Partnership Agreement, previous U.S. trade agreements, and trade restrictions in Cuba. Similarly, we are developing new data and applying advanced modeling in an ongoing investigation concerning the competitiveness of the U.S. aluminum industry. We also develop new capabilities by collaborating with other organizations or academic institutions. For example, in our ongoing investigation of U.S. import restraints, we applied a specialized database and economic model that drew from the work of external experts in order to improve our analysis.

Our work in industry and economic analysis spans a wide variety of issues. A few examples include:

- The evolution and implications of agricultural policies
- The interactions of global and regional value chains
- How trade and investment barriers, rules of origin, and standards affect U.S. firms, workers, and consumers
- The promise—and pitfalls—of new technologies, industries, and business models
- The integration of goods and services in production and trade
- The impact of final offers made by foreign countries in negotiations involving the United States

To effectively support the interests of trade policy makers, we must maintain a staff with expert knowledge and skills who can provide unique, relevant, and timely insights on new and fast-evolving sectors of the U.S. economy in the global marketplace.

Tariff and trade information services will benefit from new technology and improved business processes

The HTS provides the foundation for the U.S. trade data maintained by the U.S. Census Bureau and enables U.S. Customs and Border Protection to manage its trade and enforcement activities. We ensure that the HTS is both accurate and up to date so that it meets the demands for trade and tariff information from the Census Bureau and Customs and Border Protection, U.S. exporters and importers, the Administration, and policy makers in Congress. Due to the size and openness of the U.S. economy and the volume of U.S. trade, the HTS is the most heavily used tariff schedule in the world. Its more than 10,700 tariff lines must be updated and maintained throughout the year to reflect changes from trade agreement implementation and other congressional and Administration actions. Redesigned in FY 2013, this system was developed as an electronic database in FY 2014 and was made available to the public at the beginning of the fourth quarter of FY 2015. We are now redesigning the DataWeb, the trade data system we use for our own work and provide to the public, and expect to make a beta version available in the third quarter of FY 2017.

As these developments show, we've been able to take advantage of new technologies to make tariff and trade information far more accessible and usable, both for our own analyses and for many essential public uses. In planning to maintain and build on these gains, however, we face resource gaps now and in the near future. Our appropriation request includes funding to address these issues. The skills needed to support various components of tariff and trade information services (e.g., HTS maintenance, HTS classification, rules of origin assessments, and miscellaneous tariff bill assessments) are unique and can take years to develop. Moreover, many of the agency experts that we rely on for tariff and trade information services are now or soon will be eligible for retirement. We therefore expect human capital planning and recruitment to be a priority over the next few years.

Trade policy support may face resource constraints

We draw heavily on staff in all agency program areas to respond to quick-turnaround informal requests on trade policy support from Congress and the Administration. In FY 2016, we supplied over 150 rapid responses on a broad array of issues and topics, ranging from litigation support in international tribunals to assessments of specific industry and economic issues. Our staff often provides technical support to negotiators working on proposed trade agreements and adjustments to existing agreements, supplying information, expertise, and software-based tools to support U.S. negotiating teams.

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

Our customers place a high value on our staff’s ability to produce objective and independent information and analysis on their most urgent issues. To the extent that we face heavier workloads, more complexity, and staffing challenges in various areas, our ability to respond to these requests could be curtailed. Staff development is thus a pressing need for us.

Efforts to Strengthen Information Technology Security

In the past year, the USITC demonstrated its commitment to improving its IT security by carrying out Homeland Security Presidential Directive 12 (HSPD-12), which establishes a government-wide standard for authorized access to federally controlled facilities and networks; implementing our Trusted Internet Connection, which provides enhanced monitoring and situational awareness of our external network connections; and implementing Einstein 3A, which provides active blocking of Internet threats.

In FY 2018, we will continue to strengthen our security posture by investing in new technologies, processes, and capabilities to meet the requirements of the Federal Information Security Modernization Act of 2014. Planned improvements include the following:

- Expanding our Information Security Continuous Monitoring (ISCM) efforts to monitor our network security, for which we will leverage resources of the Department of Homeland Security's (DHS) Continuous Diagnostics and Mitigation Program
- Continuing independent security and privacy controls assessments of our systems to ensure security controls are applied correctly, operating as intended, and producing the desired outcome for security requirements
- Ensuring timely detection and reporting of cyber incidents
- Enhancing website encryption

In addition, we will focus on devoting the necessary resources to our cybersecurity needs and to complete migration of our data center to an offsite location, as described below.

House Report 114-605: Cybersecurity Resources

House Report 114-605 instructs the Commission to "prioritize efforts to improve its cybersecurity posture," and "encourages ITC to work with other relevant Federal agencies to inform its actions." Our FY 2018 budget request contains approximately $1.5 million for cybersecurity resources. It assumes we will largely use existing commercial products and tools to prevent, detect, and respond to security threats and vulnerabilities. About $600,000 of the cybersecurity budget will be used to prevent malicious cyber activity by investing in security controls assessments, via interagency agreement with the Department of Health and Human Services, and in ISCM, via the DHS Continuous Diagnostics and Mitigation program. We are also coordinating with DHS for yearly use of their Risk and Vulnerability Assessment service, which includes penetration testing and email phishing assessment. We are currently implementing an enterprise business intelligence tool to eliminate numerous older legacy applications, reducing security risk as well as the cost of maintaining them.

Replication of headquarters data center capabilities offsite

In June 2015, we began upgrading our disaster recovery facility to a full second data center. Expanding the scope of the disaster recovery facility to provide standby capability for 100 percent of the agency's IT functionality is critical, especially given the constraints of our building's power, telecommunications, and HVAC infrastructure. The agency has recently achieved 80 percent replication of our

IT capability at the disaster recovery facility (now the second data center) and we are pursuing the mid-term goal of 100 percent capability in 2017. The long-term 2018 goal is to move the primary headquarters data center offsite locally and move the second data center equipment to the western U.S. for improved resiliency in the event of a disruption in the east. This strategy is considered a best practice both in private industry and government.

To augment our disaster recovery capacity, we are enhancing our telework capability, including a modernized remote access solution, videoconferencing with remote collaboration capability, and a mobile device contract to modernize our handheld wireless devices. In 2017 we plan to evaluate expansion of our cloud computing footprint to further reduce data center dependence, encompassing email and standard office applications, website hosting and cloud-based storage, with potential implementation in 2018.

Risk Management, Planning, and Internal Control Efforts

Our leaders and managers are responsible for establishing strategic goals and objectives, complying with relevant laws and regulations, managing risks, and creating sustainable value for stakeholders. To meet these responsibilities, management must establish, maintain, monitor, evaluate, and report on the agency's performance, risk management, and internal control processes.

Our risk management processes are forward-looking and designed to help the agency effectively plan, make good decisions, alleviate threats, seize opportunities, and meet agency goals and objectives. Internal control is the process used to help the agency achieve its strategic goals and objectives by achieving effective and efficient operations, reliable reporting, and compliance with laws and regulations.

During FY 2016, we continued to improve our enterprise risk management (ERM) framework, which identifies, prioritizes, and manages institutional risk at all levels of the agency. Managers have integrated ERM principles into their planning and budget execution processes. This integration will inform our current efforts to develop the agency's Strategic Plan for FY 2018–22 and to support our efforts to develop a long term budget plan.

We also are committed to continuing our efforts to develop and maintain an effective system of internal control. Internal control management affects all areas of the organization at the agencywide and office-specific levels, including our administrative, programmatic, IT, security, compliance, and financial activities. This system is expected to be a multiyear initiative that will incorporate ERM processes while transforming our management structure and culture.

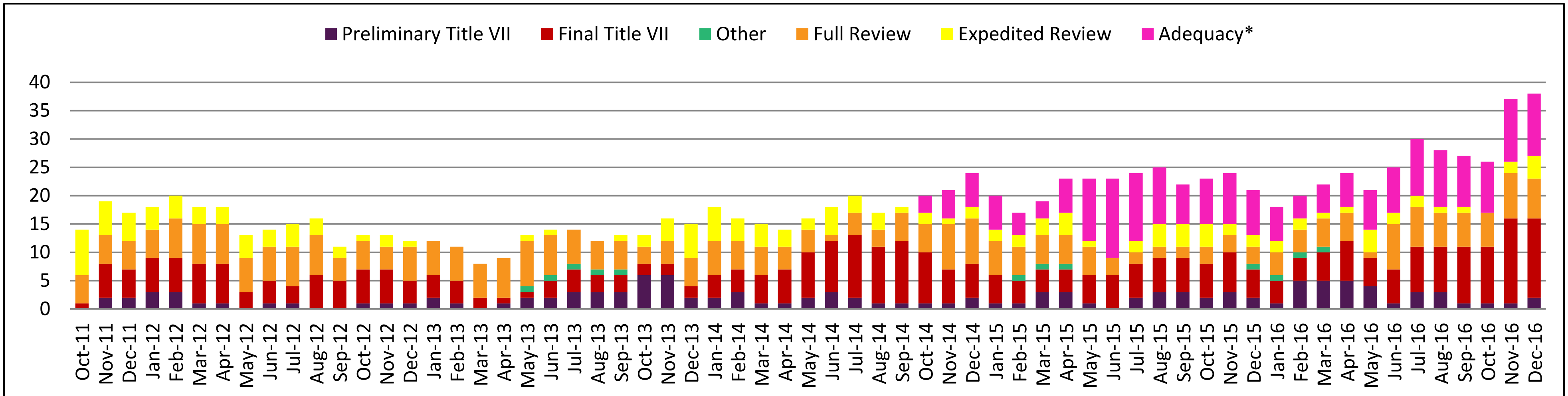
Over the past several years, the Commission has adopted a number of practices to advance the agency's understanding and use of internal controls. We have introduced internal control into new and existing processes, and launched annual evaluations of our office-level and agencywide controls. We have also set annual performance goals designed to improve and reinforce internal controls. We are committed to building on the initiatives already discussed to make significant progress in this area in the years to come.

Import Injury Investigations Caseload

Instituted & Completed Investigations

	Instituted							Completed						
	FY 2012 Actual	FY 2013 Actual	FY 2014 Actual	FY 2015 Actual	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate	FY 2012 Actual	FY 2013 Actual	FY 2014 Actual	FY 2015 Actual	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Preliminary Title VII	8	13	9	12	18	13	13	7	9	13	11	19	13	13
Final Title VII	12	5	15	10	16	15	14	8	7	9	12	13	18	15
Other	0	1	0	1	1	1	1	0	1	0	1	1	1	1
Full Review	7	10	7	8	11	13	10	9	10	7	9	6	12	14
Expedited Review	9	9	11	16	11	12	8	17	3	15	14	12	15	8
Total	**36**	**38**	**42**	**47**	**57**	**54**	**46**	**41**	**30**	**44**	**47**	**51**	**59**	**51**

Monthly Active Caseload



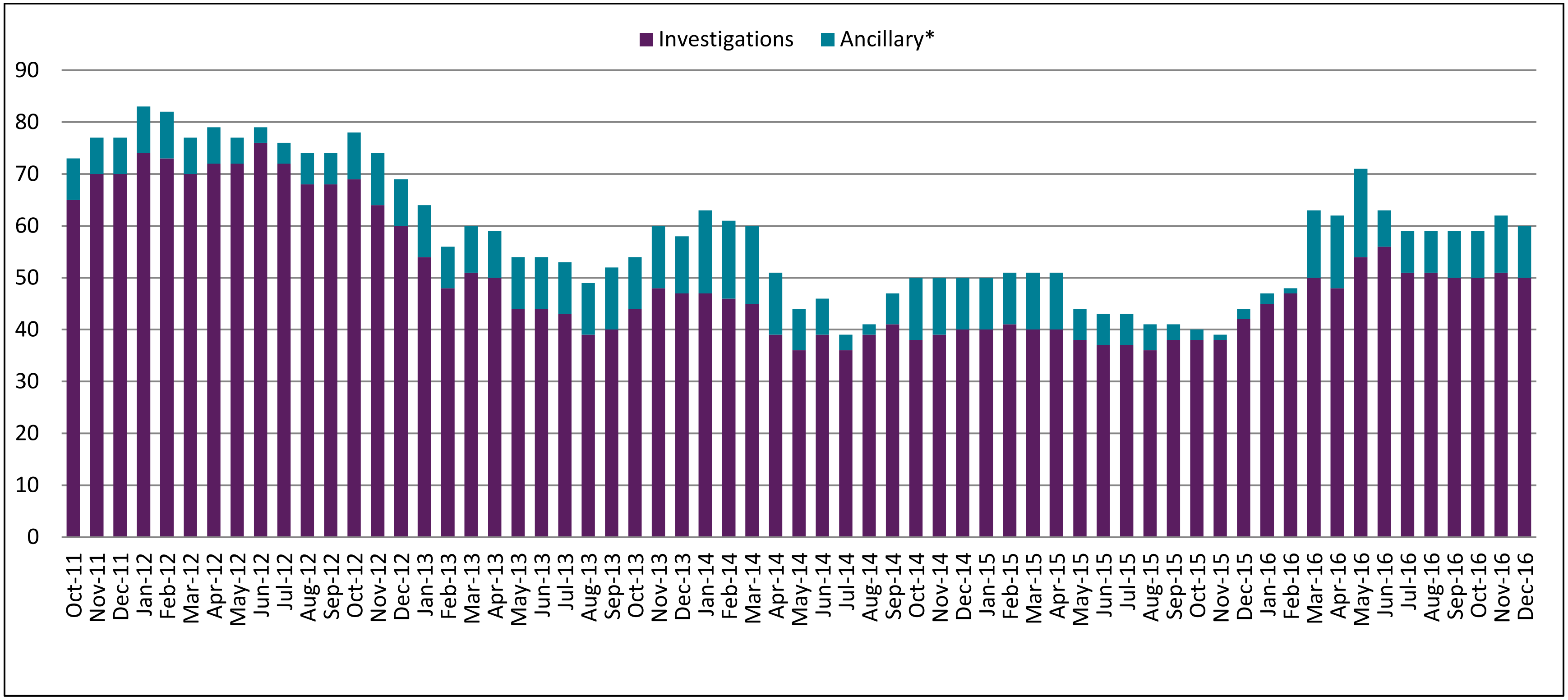
*The agency realigned its workload for five-year reviews in FY 2015, shifting a substantial portion of work to the adequacy phase of these proceedings, which precede a determination to conduct a full or expedited review. Beginning in FY 2015, active five-year reviews in their adequacy phase are presented separately and designated "Adequacy." See linked data set.

Unfair Import Investigations Caseload

Instituted & Completed Investigations

Status	FY 2012 Actual	FY 2013 Actual	FY 2014 Actual	FY 2015 Actual	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Instituted	56	52	49	47	79	51	50
Completed	57	72	59	50	64	60	55

Monthly Active Caseload



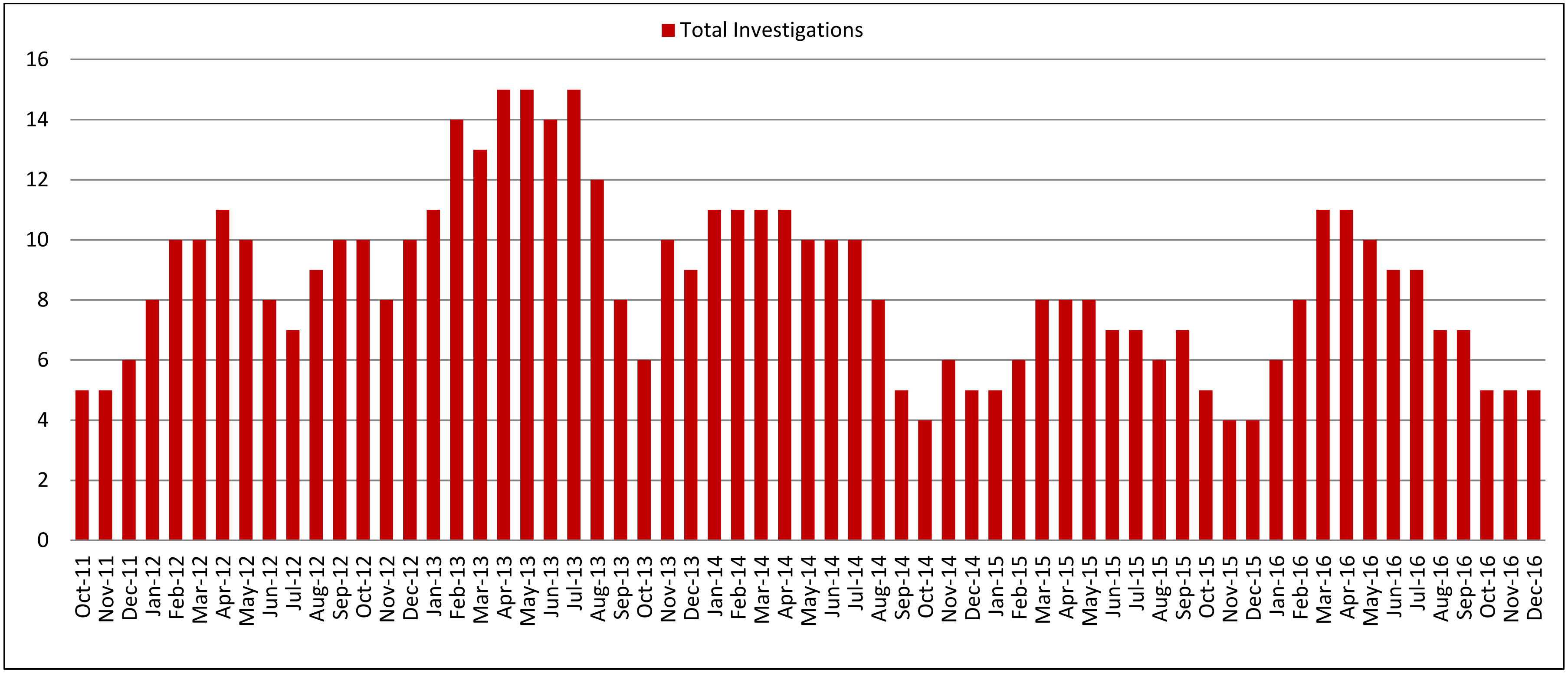
*Ancillary investigations include petitions for modifications and/or rescissions of remedial orders, requests for advisory opinions, Federal Circuit remands, and enforcement proceedings. See linked data set.

Industry and Economic Analysis Investigations Caseload

Instituted, Completed, and Active Recurring Investigations

Status	FY 2012 Actual	FY 2013 Actual	FY 2014 Actual	FY 2015 Actual	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Instituted	9	10	8	5	7	9	9
Completed	6	12	10	9	9	9	9
Active Recurring	6	8	7	6	6	6	6

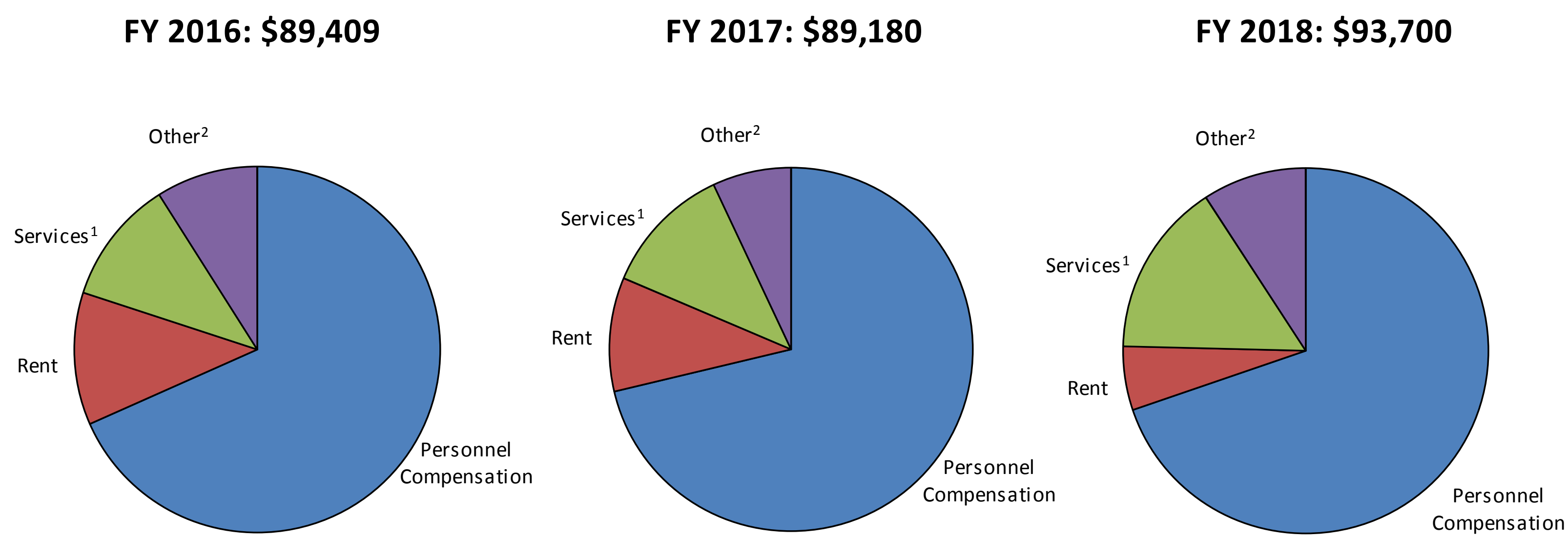
Monthly Active Caseload



See linked data set.

Dollar Cost: Comparison by Object Classification, Fiscal Years 2016–18

(dollar amounts in thousands)



CATEGORY OF OBLIGATION	FY 2016 Actual		FY 2017 Estimate		FY 2018 Request	
	Dollars	Percent of Total	Dollars	Percent of Total	Dollars	Percent of Total
Personnel Compensation	$61,096	68.3%	$63,558	71.3%	$65,346	69.7%
Rent	10,466	11.7%	9,032	10.1%	5,296	5.7%
Services	9,815	11.0%	10,347	11.6%	14,443	15.4%
Other	8,032	9.0%	6,243	7.0%	8,615	9.2%
TOTAL	**$89,409**	**100.0%**	**$89,180**	**100.0%**	**$93,700**	**100.0%**

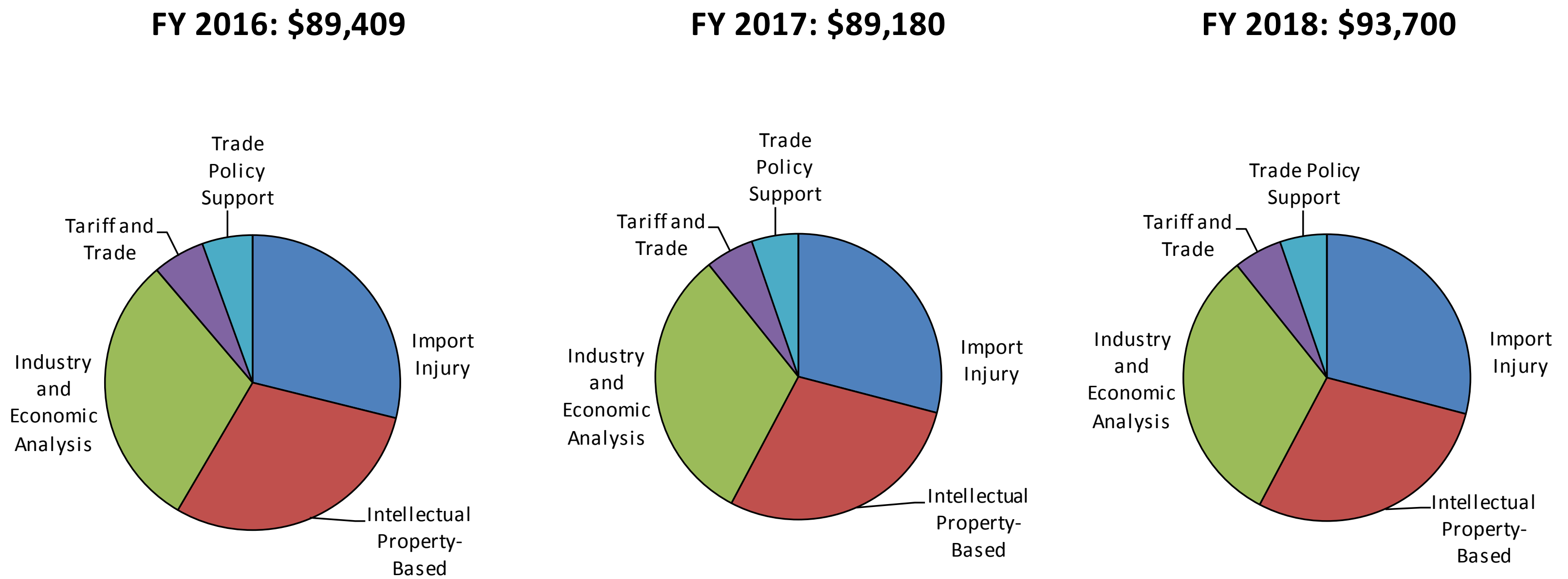
Note: Dollars may not add due to rounding in this and subsequent charts. See linked data set.

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

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

Dollar Cost: Comparison by Strategic Goal, Fiscal Years 2016–18

(dollar amounts in thousands)



CATEGORY OF OBLIGATION	FY 2016 Actual		FY 2017 Estimate		FY 2018 Request	
	Dollars	Percent of Total	Dollars	Percent of Total	Dollars	Percent of Total
Trade Remedy Investigations (Strategic Goal 1)						
Import Injury	$25,809	28.9%	$25,922	29.0%	$27,236	29.0%
Intellectual Property-Based	26,428	29.5%	25,562	28.7%	26,857	28.7%
Tariff, Trade, and Competitiveness-Related Analysis and Information (Strategic Goal 2)						
Industry and Economic Analysis	27,143	30.4%	28,131	31.5%	29,557	31.5%
Tariff and Trade Information Services	5,092	5.7%	4,862	5.5%	5,109	5.5%
Trade Policy Support	4,937	5.5%	4,703	5.3%	4,941	5.3%
TOTAL	**$89,409**	**100.0%**	**$89,180**	**100.0%**	**$93,700**	**100.0%**

See linked data set.

Analysis of Change by Object Classification, Fiscal Years 2016–18

(dollar amounts in thousands)

	FY 2016 Actual Obligations	FY 2017 Estimate	FY 2018 Request	FY 2017-18 Change	Percentage Change
Personnel	**$61,096**	**$63,558**	**$65,346**	**$1,788**	**2.8%**
Non-personnel					
Rent	$10,466	$9,032	$5,296	-$3,735	-41.4%
Services	9,815	10,347	14,443	4,095	39.6%
Supplies	1,712	1,801	1,838	36	2.0%
Equipment	4,287	1,955	2,935	980	50.1%
Travel	523	504	537	33	6.5%
Training	427	511	531	20	3.9%
Communications and Equipment Rental	764	1,107	2,421	1,314	118.7%
Transportation	14	16	17	1	3.7%
Postage	28	45	45	0	0.0%
Land and Structures	0	0	0	0	0.0%
Printing and Reproduction	263	292	278	-14	-4.8%
Official Reception and Representation	16	12	15	2	18.1%
Subtotal Non-personnel Obligations	**$28,313**	**$25,622**	**$28,354**	**$2,732**	**10.7%**
Total Obligations	**$89,409**	**$89,180**	**$93,700**	**$4,520**	**5.1%**

Summary of Changes from the FY 2017 Estimate

(dollar amounts in thousands)

Personnel Cost Change

Personnel Costs ....+$1,788

Personnel costs are expected to increase by approximately $1.8 million to restore and maintain staffing levels in offices where resources were diverted to support implementation of the American Manufacturing Competitiveness Act of 2016 (AMCA); cover the proposed 1.9 percent pay raise effective January 1, 2018; and pay for the normal cost of promotions, within-grade increases, and higher benefits. Our staffing plan is to hire a net increase of 11 staff during FY 2018, ending the year at 392. Our goal is to decrease the agencywide vacancy rate from 11 percent in the beginning of the fiscal year to eight percent by the end. However, vacancies are not evenly distributed. The Office of Industries, which is indispensable to virtually all of our statutory investigations, such as antidumping/countervailing duty and fact-finding, has a 27 percent vacancy rate.

Non-Personnel Cost Changes

Rent..-$3,735

FY 2018 rent costs reflect the up-front savings associated with our new 15-year lease agreement; costs are expected to increase to approximately $9.9 million per year beginning in FY 2019.

Services...+$4,095

Services obligations are expected to increase by $4.1 million; nearly half of that amount will be used to restore funding to IT systems, maintenance, and infrastructure projects that were deferred to support AMCA implementation. Resources are also required for our data center migration effort and standing-up an offsite data center to ensure uninterrupted functionality and provide the best long-term value for our agency and taxpayers. We also plan to expand our research and economic analysis capabilities to produce investigations on proposed changes in trade policy and U.S. competitiveness. Further, we will develop the Title VII Data System, which will support our antidumping/countervailing duty investigations by improving our data gathering and reporting capabilities and provide the public with much of that data.

Supplies ....+$36

Supplies costs reflect an inflationary $36,000 increase.

Equipment ....+$980

Equipment costs are expected to increase by about $1 million. Approximately half of the increase will help complete our data center migrating effort; the remaining half will be used to replace our courtroom infrastructure, much of which is 30 years old and is not compliant with the Americans with Disabilities Act.

Travel ....+$33

Travel costs are expected to increase by $33,000 to support statutory investigations and anticipated studies, knowledge development in emerging trade issues and priority areas, representational travel for international organization meetings, litigation support, and support for multilateral and regional agreement negotiations.

Training..+$20

Training costs are expected to increase by $20,000 to fund training to advance skills and meet licensing, certification, and professional education requirements for existing staff, as well as train newly hired staff.

Communications and Equipment Rental..+$1,314

Communications and equipment rental costs are expected to increase by $1.3 million to secure the telecommunications infrastructure to help complete our data center migration effort.

Transportation..+$1

Transportation costs reflect an inflationary $1,000 increase.

Printing and reproduction..-$14

Printing and reproduction costs are expected to decrease as a result of fewer submissions to the Government Publishing Office.

Official Reception and Representation...+$2

Official reception and representation funds are expected to increase by $2,250, which has been the level of funding provided in the last several annual appropriations.

Net Non-Personnel Cost Changes ....+2,732
Total Adjustment to Base ($89,180) ....+$4,520

Total Budget Request... $93,700

Commissioners

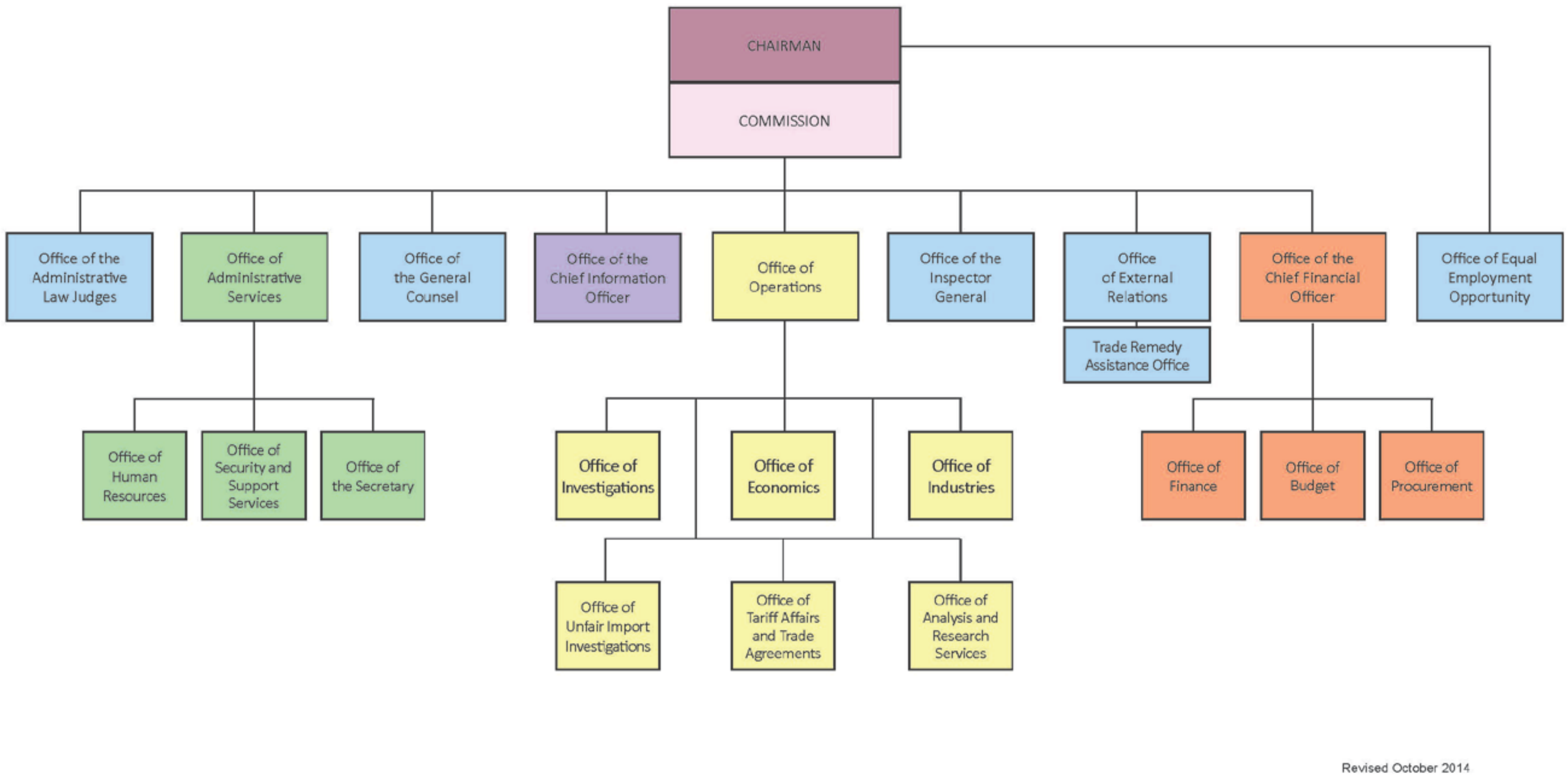
The USITC is headed by six commissioners, who are nominated by the President and confirmed by the Senate. Rhonda K. Schmidtlein, a Democrat, is serving as Chairman; David S. Johanson, a Republican, is serving as Vice Chairman. Commissioners currently serving are, in order of seniority, Rhonda K. Schmidtlein, David S. Johanson, Irving A. Williamson, Meredith M. Broadbent, and F. Scott Kieff. As of March 2017, there is one vacant seat on the Commission.

Each of the six commissioners serves a term of nine years, unless appointed to fill an unexpired term. The terms are set by statute[1] and are staggered so that a different term expires every 18 months. A commissioner who has served for more than five years is ineligible for reappointment. A commissioner may, however, continue to serve after the expiration of his or her term until a successor is appointed and qualified.

No more than three commissioners may be members of the same political party. The Chairman and the Vice Chairman are designated by the President and serve for a statutory two-year term. The Chairman may not be of the same political party as the preceding Chairman, nor may the President designate two commissioners of the same political party to serve as the Chairman and Vice Chairman. As of March 2017, two Democrats and three Republicans serve as commissioners.

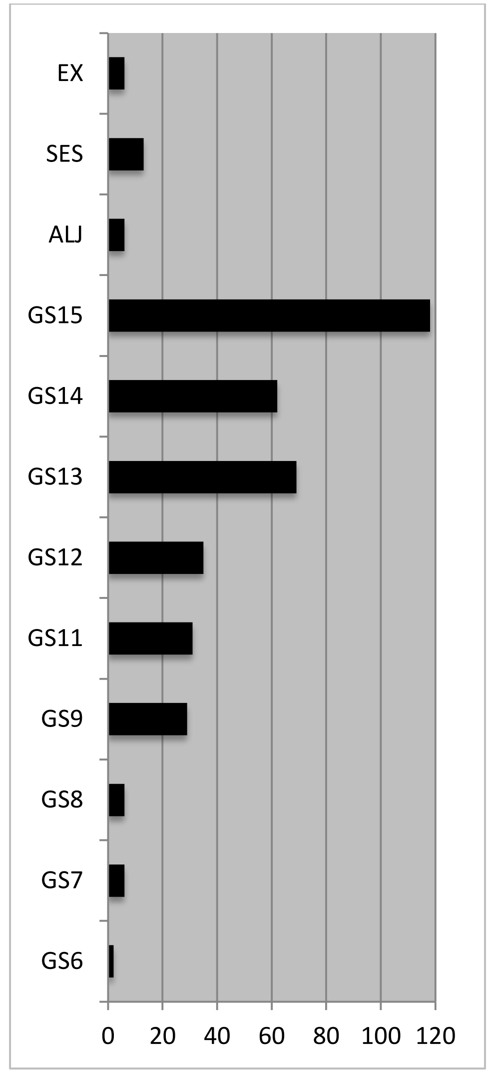
[1] 19 U.S.C. § 1330, Organization of Commission

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



Current Permanent and Term Staffing Plan with Onboard and Gaps

Office	FY 2017 Permanent and Term Positions in Staffing Plan	FY 2017 Permanent and Term On Board (as of 3/10/2017)	FY 2017 Gap
Commissioners' Offices	32	27	5
External Relations	5	5	0
Inspector General	4	4	0
General Counsel	45	43	2
Administrative Law Judges	24	22	2
Equal Employment Opportunity	2	2	0
Chief Information Officer	32	30	2
Subtotal Independent Offices	**144**	**133**	**11**
Operations	7	6	1
Analysis and Research Services	20	19	1
Import Injury Investigations	27	24	3
Unfair Import Investigations*	21	22	-1
Economics	43	41	2
Tariff Affairs and Trade Agreements	14	14	0
Industries	84	61	23
Subtotal Operations	**216**	**187**	**29**
Chief Financial Officer*	6	7	-1
Budget	3	3	0
Finance	6	6	0
Procurement	6	6	0
Subtotal Chief Financial Officer	**21**	**22**	**-1**
Administrative Services*	5	7	-2
Human Resources	9	9	0
Security and Support Services	11	10	1
Secretary and Dockets	20	18	2
Subtotal Administrative Services	**45**	**44**	**1**
Commission Total	**426**	**386**	**40**



*We are constantly evaluating our workload and align resources to meet emergent needs. In the short term, the Commission may approve requests for staffing that exceed office allocations to meet workload challenges. If those workload challenges persist, the Commission may make the adjustment permanent by shifting positions, subject to the total staffing constraint of 426 permanent and term positions.

500 E Street, SW
Washington, DC 20436