



# United States International Trade Commission

## Annual Performance Report



Fiscal Year 2012

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## ACRONYMS

AD/CVD	antidumping/countervailing duty
AFR	Agency Financial Report
ALJ	Administrative Law Judge
APR	Annual Performance Report
CBP	Customs and Border Protection (DHS)
CIO	Chief Information Officer
CFO	Chief Financial Officer
Commission	U.S. International Trade Commission
COR	Contracting Officer's Representative
DataWeb	interactive tariff and trade DataWeb
DHS	Department of Homeland Security
EC	Office of Economics
EDIS	Electronic Document Information System
ER	Office of External Relations
FDI	foreign direct investment
FIN	Office of Finance
FTA	free trade agreement
GATT/WTO	General Agreement on Tariffs and Trade/World Trade Organization
GC	Office of the General Counsel
GPRA	Government Performance and Results Act
GSP	Generalized System of Preferences
GTAP	Global Trade Analysis Project (Purdue University)
HR	Office of Human Resources
HTS	Harmonized Tariff Schedule
ID	Initial Determination
IG	Inspector General
IND	Office of Industries
INV	Office of Investigations
I-O	input-output
IP	intellectual property
IPR	intellectual property rights
IT	information technology
ITDS	International Trade Data System
ITS	Information Technology Services

NAFTA	North American Free Trade Agreement
NAICS	North American Industry Classification System
NTM	nontariff measure
OALJ	Office of the Administrative Law Judges
OARS	Office of Analysis and Research Services
OAS	Office of Administrative Services
OCFO	Office of the Chief Financial Officer
OCIO	Office of the Chief Information Officer
OEEEO	Office of Equal Employment Opportunity
OIG	Office of the Inspector General
OMB	Office of Management and Budget
OP	Office of Operations
OUII	Office of Unfair Import Investigations
PAR	Performance and Accountability Report
PR	Office of Procurement
SE	Office of the Secretary
SIC	Standard Industrial Classification
TATA	Office of Tariff Affairs and Trade Agreements
TEO	Temporary Exclusion Order
URAA	Uruguay Round Agreements Act
USAGE	U.S. Applied General Equilibrium
USITC	U.S. International Trade Commission
USTR	Office of the United States Trade Representative
WCO	World Customs Organization
WTO	World Trade Organization

## MESSAGE FROM THE CHAIRMAN

I am pleased to transmit the FY 2012 *Annual Performance Report* for the United States International Trade Commission. This report documents the Commission's programmatic performance for the year and discusses our accomplishments and challenges.



The Commission has three important mandates: (1) to administer U.S. trade remedy laws in a fair and objective manner; (2) to provide the President, the United States Trade Representative, and the Congress with independent analysis, information, and support on matters relating to tariffs, international trade, and U.S. competitiveness; and (3) to maintain the Harmonized Tariff Schedule of the United States. In doing so, the Commission contributes to the development of sound and informed U.S. trade policy. The Commission carries out these mandates primarily through its import injury investigations, intellectual property-based import investigations, industry and economic analysis reports, tariff and trade information services, and trade policy support. Strategic goals and performance plans for these operations are reviewed annually and are designed to promote the mission of the Agency.

I am proud to report that the Commission's workforce has shown an unwavering commitment to the quality and timeliness of its work in FY 2012, as highlighted below.

### Key Accomplishments:

In FY 2012, the Commission:

- **Adjudicated a continued high volume of intellectual property-based import investigations.** In FY 2012, the Commission instituted 56 investigations and continued to conduct investigations instituted during the record-breaking FY 2011. The average complexity of investigations continued to be high due to factors like the significant numbers of respondents and asserted patents. The Commission constructed a third courtroom and related work areas to help fulfill our objective of alleviating scheduling problems and facilitating expeditious completions of investigations.
- **Developed streamlined procedures to respond to high demand and short deadlines for reports to Congress on tariff reduction bills.** The Agency produced over 1,300 reports for the Congress on miscellaneous tariff bills in just over four months, far exceeding the volume of bill reports produced in the same period for any prior Congress. To accomplish this, the Commission employed new approaches to gathering, assembling and reviewing data that were more efficient while ensuring accuracy and completeness.
- **Implemented innovative technical approaches for fact-finding and probable economic effects investigations.** To support sound and informed trade policy formulation, the Commission provided state-of-the-art analysis to the United States Trade Representative (USTR) and Congress that drew on its economic modeling capabilities and international trade and industry expertise. During FY 2012, the Commission instituted nine new investigations and many research projects at the request of USTR or the Congress to assess the impact of proposed changes in trade policy and trade negotiations. Examples include the competitiveness of the U.S. business jet aircraft industry, factors affecting the competitiveness of U.S. and Brazilian agricultural sales in third country markets,

and the impact of trade facilitation barriers in East Africa. Many investigations required the Commission to collect primary data as little, or no, public information had been available.

- **Conducted import-injury investigations involving important renewable energy and consumer product industries.** During FY 2012, the Commission instituted 36 import injury investigations, covering a wide range of products from basic steel products to products in energy and consumer areas such as solar panels, wind towers and large residential washers.
- **Continued to focus on performance improvement.** The Commission continued to refine and expand its goals for carrying out its mission and ensuring that it uses taxpayer dollars efficiently. The Commission focused on improving: (a) the quality of its analytic capabilities and means of collecting information, (b) the effectiveness of communication with its customers and the public, and (c) the timeliness of its determinations. The Commission also set goals for making improvements in important management areas of human resources, financial management, acquisitions, and information technology; these areas play a critical role in supporting the Agency's mission and ensuring the effective use of agency resources.
- **Rebalanced resources.** To meet the challenges of high workload and shifts into new, technically complex areas, the Commission continued to develop automated business processes and initiated the restructuring of its workforce. More automated data collection and data management will enhance efficiency and better support programmatic and management activities. A one-time voluntary buyout and early out initiative has helped facilitate needed adjustments to its work force.

The Commission's management team continues to oversee the Agency's assessment and strengthening of internal controls over its programs, operations, financial systems, and financial reporting; these efforts allow us to provide reasonable assurance that performance data and financial reports are based on accurate and complete data. While we recognize that we have more to do, we are determined to ensure that we efficiently manage the resources entrusted to us.

The Commission's staff succeeded in fulfilling the Agency's mission in FY2012 under challenging conditions, and I have no doubt that it has the commitment and dedication to do so in the years to come.

## INTRODUCTION

In its *Annual Performance Report*, (APR) the United States International Trade Commission (Commission or USITC) presents the Commission's performance results for fiscal year (FY) 2012. This report is intended to document to the Congress, the President, and the public, that the USITC is fulfilling its mission and is effectively and efficiently using the resources entrusted to it.

The report compares FY 2012 results with the performance goals and measures first published in the USITC's FY 2012 *Annual Performance Plan*, which were included in the Agency's FY 2012 *Budget Justification*. After assessing its FY 2011 performance, the USITC revised some of its performance measures and published these revisions with its FY 2013 *Budget Justification*. This report provides an update on agency performance and is intended to satisfy the reporting requirements of the Government Performance and Results Act of 1993 (GPRA) as amended by the GPRA Modernization Act of 2010. The APR is available at <http://www.usitc.gov/strategicplan.htm#performance>.

## Mission, Organization, and Strategic Operations

The USITC is an independent, quasi-judicial federal agency with broad investigative responsibilities on matters of trade. The USITC was established by Congress on September 8, 1916, as the U.S. Tariff Commission. In 1974, the name was changed to the United States International Trade Commission by section 171 of the Trade Act of 1974 (19 U.S.C. § 2231).



USITC Main Hearing Room



The Commission investigates the effects of dumped and subsidized imports on domestic industries and conducts global and bilateral safeguard investigations. The USITC also adjudicates cases involving imports that allegedly infringe intellectual property rights. In addition, the Commission serves as a federal resource where information related to trade and trade policy is gathered and analyzed. The information and analyses are provided to the President, the Office of the United States Trade Representative (USTR), and Congress. The Commission makes most of its information and analysis available through its website to the public to promote a better understanding of international trade issues.

## MISSION

The USITC's mission is to:

- Administer U.S. trade remedy laws within its mandate in a fair and objective manner;
- Provide the President, USTR, and Congress with independent quality analysis, information, and support on matters relating to tariffs and international trade and competitiveness; and
- Maintain the Harmonized Tariff Schedule of the United States (HTS).

In doing so, the USITC serves the public by implementing U.S. law and contributing to the development of sound and informed U.S. trade policy.

## ORGANIZATION

### Commissioners

The USITC is headed by six Commissioners, who are nominated by the President and confirmed by the U.S. Senate. Commissioner Irving A. Williamson, a Democrat, is serving as Chairman of the USITC for the term ending June 16, 2014. As of the date of issuance of this report, the Commission has no Vice Chairman. Commissioners serving at the end of FY 2012 were, in order of seniority, Daniel R. Pearson, Shara L. Aranoff, Dean A. Pinkert, David S. Johanson, and Meredith M. Broadbent.

Each of the six Commissioners serves a term of nine years, unless appointed to fill an unexpired term. The terms are set by statute<sup>1</sup> 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. Currently three Democrats and three Republicans serve as Commissioners.

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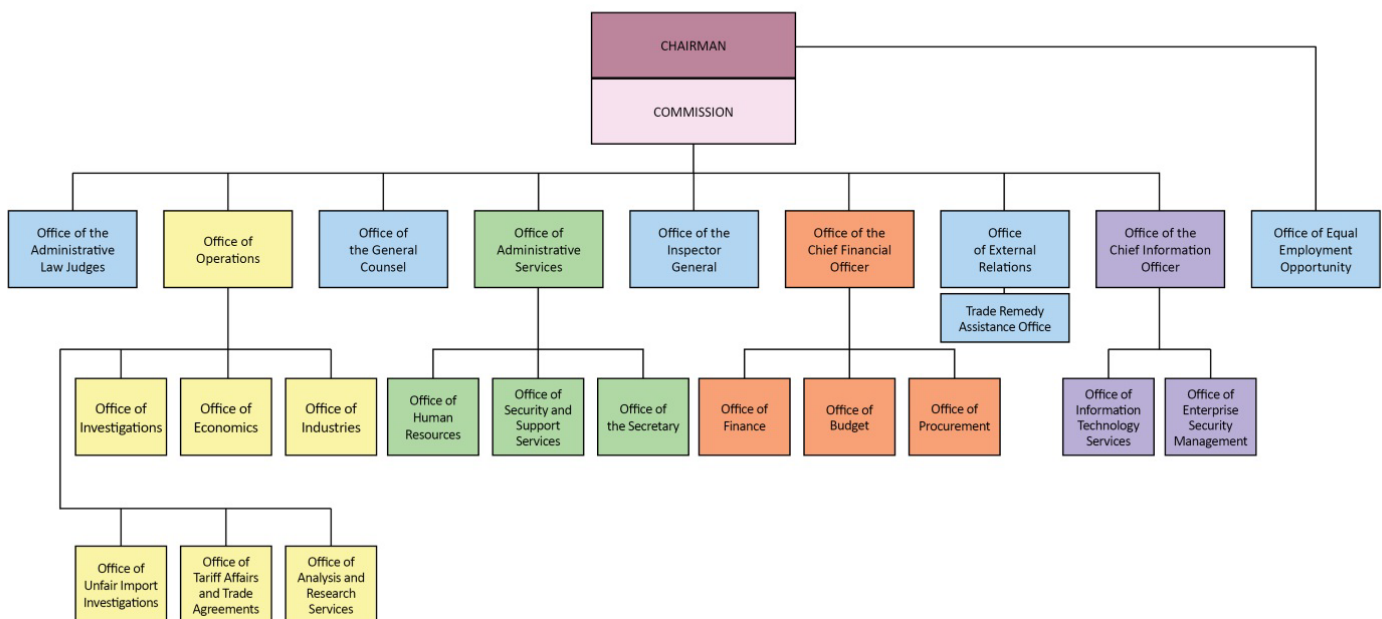
<sup>1</sup> 19 U.S.C § 1330, Organization of Commission.

## USITC Staff

USITC staff is organized into offices designed to support the mission of the Agency. These include the:

- Office of Operations (OP), and its subordinate Offices of Investigations (INV), Industries (IND), Economics (EC), Tariff Affairs and Trade Agreements (TATA), Unfair Import Investigations (OUII), and Analysis and Research Services (OARS);
- Office of the Administrative Law Judges (OALJ);
- Office of the General Counsel (GC);
- Office of External Relations (ER), which also includes the Trade Remedy Assistance Office (TRAO);
- Office of the Chief Financial Officer (OCFO), and its subordinate Offices of Budget (OB), Finance (FIN), and Procurement (PR);
- Office of the Chief Information Officer (OCIO), and its subordinate Offices of Enterprise Security Management (ESM) and Information Technology Services (ITS);
- Office of Administrative Services (OAS), and its subordinate Offices of the Secretary (SE), Human Resources (HR), and Security and Support Services (SSS);
- Office of the Inspector General (IG); and
- Office of Equal Employment Opportunity (EEO).

**UNITED STATES INTERNATIONAL TRADE COMMISSION  
Office-Level Organizational Chart**



See Appendix A for more information on the individual offices of the USITC.

## STRATEGIC OPERATIONS AND GOALS

Although the USITC has one program activity set forth in the Budget of the United States, the Commission has established a performance framework consisting of five strategic operations and corresponding strategic goals as shown below. These operations reflect the mission and mandates of the Commission, highlighting the diverse benefits that the Commission provides in supporting an open trading system based on the rule of law and the economic interests of the United States.

Strategic Operation	Strategic Goal
1. Import Injury Investigations	1. Support a rules-based international trading system by producing high-quality and timely import injury determinations based on the following— <ul style="list-style-type: none"> <li>• an effective exchange of information between the Commission and interested parties</li> <li>• an appropriate investigative record, and</li> <li>• transparent, fair, and equitably implemented procedures</li> </ul>
2. Intellectual Property-based Import Investigations	2. Conduct intellectual property-based import investigations in an expeditious, technically sound, and transparent manner, and provide for effective relief when relief is warranted, to support a rules-based international trading system
3. Industry and Economic Analysis	3. Enhance the quality and timeliness of its industry and economic analysis to support sound and informed trade policy formulation
4. Tariff and Trade Information Services	4. Improve the availability of and access to high-quality and up-to-date tariff and international trade information and technical expertise to support the executive and legislative branches, the broader trade community, and the public
5. Trade Policy Support	5. Provide enhanced support to the development of well-informed U.S. international trade policy by quickly responding to executive and legislative branch policymakers' needs for technical support, data, and analysis

For each of the strategic goals, the USITC's *Strategic Plan* for FY 2009–2014 identifies performance goals and strategies to meet these goals. This framework allows the Commission to develop annual measures and targets that provide senior leaders, managers, and stakeholders with data and other information necessary to assess whether progress is being made toward the performance goals and longer-term strategic goals. This information also shapes the budget formulation process for future years.

The USITC issued an Addendum to its *Strategic Plan* in February 2012. In addition to revising some of the existing performance goals, the Addendum sets out new management goals concerning financial management, procurement, human resources, and information technology. These goals addressed management challenges facing the Commission as well as concerns that are the subject of government-wide initiatives. The management goals are—

- Improve effectiveness and efficiency of hiring and professional development practices
- Improve effectiveness and efficiency of acquisitions
- Improve financial management controls
- Use information technology to support productivity gains

## Validation and Verification

To assess progress toward achievement of its goals, the USITC measures performance and takes steps to ensure that the performance data are accurate and reliable. Validation and verification of performance data contribute to accuracy and reliability and help to ensure that the information is credible. Validation ensures that performance data actually measure what they are supposed to measure. Verification involves reviewing and substantiating the accuracy of the data.

The USITC's internal controls require the senior executives who serve as goal leaders for strategic or management goals to coordinate the development and implementation of an annual plan for regularly measuring, verifying, and validating performance data. This effort is overseen by the Agency's Performance Management and Strategic Planning Committee.

## Program Evaluation

The USITC conducts targeted program evaluations each year. During FY 2012, the Commission continued to carry out changes stemming from a comprehensive review of its Intellectual Property-Based Import Investigations program and implemented recommended changes arising from a FY 2011 review of agency administrative functions. As part of its action plan following the review of agency administrative functions, the Commission hired a Chief Financial Officer to oversee a new unit responsible for the Agency's financial, procurement, and budgeting functions. In addition, the Commission is continuing a long-term project to evaluate its internal business processes. The Commission will use information generated by this effort as a baseline for evaluating the efficiency and quality of its operations. In addition, the Commission's IG regularly conducts evaluations of different aspects of its operations.

## Organization of Report

The remainder of this report consists of six sections—one for each strategic goal and one for the management goals. Each section presents the Commission's strategic goal for that operation, along with associated performance goals, and annual measures and targets. The sections highlight significant accomplishments, as well as areas in which the Commission did not meet its performance goals and annual targets. The sections also identify areas in which the Commission will seek to improve performance in FY 2013 and future years.

# IMPORT INJURY INVESTIGATIONS

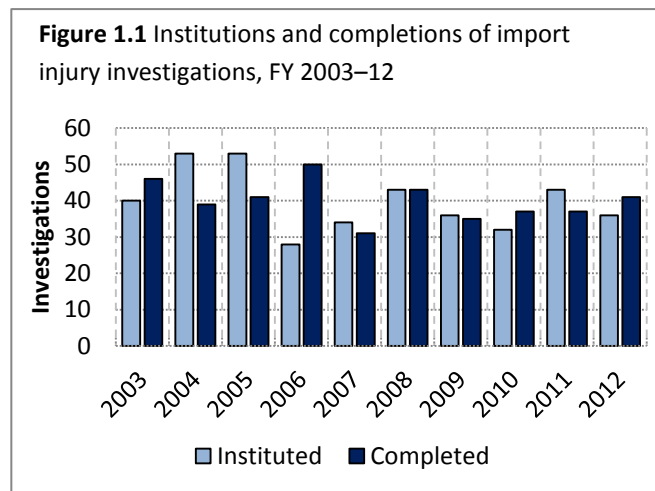
## Overview

The Commission’s strategic goal for Import Injury Investigations is to:

*Support a rules-based international trading system by producing high-quality and timely import injury determinations based on an effective exchange of information between the Commission and interested parties; an appropriate investigative record; and transparent, fair, and equitably implemented procedures.*

The Commission conducts investigations into the effects of unfairly traded imports or an increase in imports on a U.S. industry and appellate litigation to defend Commission decisions. These include:

- antidumping and countervailing duty (AD/CVD) investigations, five year (sunset) reviews, and changed circumstances reviews;
- global safeguard and market disruption investigations;
- safeguard investigations pursuant to various statutes implementing free trade agreements (FTAs); and
- World Trade Organization (WTO) consistency proceedings requested by USTR.<sup>2</sup>

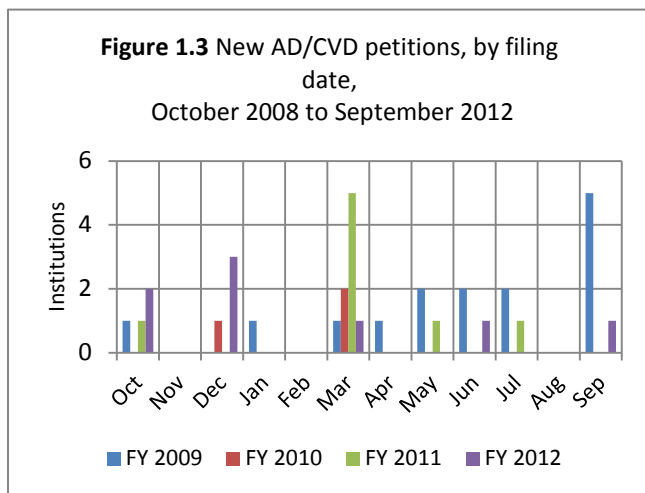


While maintaining timeliness and meeting all statutory deadlines, the Commission has set performance goals and annual measures and targets to continue to improve its investigative process to increase efficiency, reduce the burden on industry participants in investigations, and make information from import injury investigations more accessible to investigation participants and the general

public. In FY 2012, the Commission met or exceeded five of the six targets it set for import injury investigation activity, while partially meeting the other target.

Predicting and managing workload for import injury investigations is challenging as it is determined by the number and complexity of ongoing investigations, both

<sup>2</sup> 19 U.S.C. §§ 1671 *et seq.*, 2252, 2254, 2436, 2451, 2451a, 3085 note, 3537, 4061.



new filings and reviews of existing orders. The Commission does not control when new petitions are filed and it must institute new investigations as soon as these petitions are filed. Since all import injury deadlines are dictated by statute, the Agency has only limited control of investigation schedules. This often results in workload being very uneven with peak periods of work for different cases overlapping. While the number of institutions and completions of import injury investigations in FY 2012 was generally consistent with historical averages, workload, as measured by monthly active investigations, was higher

(Figures 1.1 and 1.2). In addition, while new petition filings have returned nearer to historic levels, a pattern appears to be emerging with an increased concentration of filings at or near the end of a quarter (Figure 1.3.)

## Improving the Quality and Efficiency of Investigations

Import injury investigations are filed by U.S. industries which allege that they are being injured by reason of unfairly traded imports (AD/CVD) or by increases in imports (global or China safeguards). Commission determinations affect interested parties, businesses, and communities in the United States and overseas. These determinations are based on information contained in staff reports and memoranda for which completeness and accuracy is crucial. The Commission strives to compile straightforward, comprehensive records of information for each import injury investigation such that Commission determinations are sound and withstand judicial scrutiny. Performance Goal 1 is intended to ensure that effective documentation is supplied so that an appropriate record is compiled. During FY 2012, the Commission met its target with regard to this goal.

<b>Performance Goal 1:</b> Improve the quality and efficiency of the investigative process by conducting internal and external reviews, including review of draft investigation and litigation documents.		
	FY 2012	FY 2013
Measure	Written feedback from Commissioners and their aides concerning staff efforts to compile the record and to identify, explain, and analyze important factual and legal issues is positive.	Written feedback from Commissioners and their aides concerning staff efforts to compile the record and to identify, explain, and analyze important factual and legal issues.
Targets	FY 2012 Meet or exceed 82% positive feedback.	FY 2013 Meet or exceed 82% positive feedback.

<b>Performance Goal 1: Improve the quality and efficiency of the investigative process by conducting internal and external reviews, including review of draft investigation and litigation documents. — (cont'd)</b>													
Results	<table border="1"> <caption>Positive feedback rating from Commissioners</caption> <thead> <tr> <th>Fiscal Year</th> <th>Rating (%)</th> <th>Target (%)</th> </tr> </thead> <tbody> <tr> <td>FY 2010</td> <td>95</td> <td>82</td> </tr> <tr> <td>FY 2011</td> <td>85</td> <td>82</td> </tr> <tr> <td>FY 2012</td> <td>93</td> <td>82</td> </tr> </tbody> </table>	Fiscal Year	Rating (%)	Target (%)	FY 2010	95	82	FY 2011	85	82	FY 2012	93	82
Fiscal Year	Rating (%)	Target (%)											
FY 2010	95	82											
FY 2011	85	82											
FY 2012	93	82											
Source	Commissioner feedback reported by GC and INV.												

The measure for Performance Goal 1 is a survey issued to Commissioners for each import injury investigation. Commissioners rate the effectiveness of the staff investigative report, staff responsiveness to questions or requests for additional information, briefings with Commissioners and/or their staff, and the legal analysis and opinion writing processes. For FY 2012, this goal was met as Commissioners reported being satisfied 93 percent of the time, well above the target of 82 percent.

Feedback from the Commissioners gives management and staff valuable information as to the effectiveness of the information presented in staff reports and memoranda. Managers regularly review feedback from Commissioners and use it to improve the investigative process, staff reports and memoranda.

## Meeting Statutory and Administrative Deadlines

Timely action and compliance with applicable laws and court orders have always been and will continue to be a critical goal for the Commission. Meeting statutory deadlines is important as timely determinations by the Commission ensure that any unfair trade is remedied in an expeditious fashion, keeping uncertainty in the marketplace and costs to participants to a minimum. In addition, any delays or missed deadlines by the Commission would disrupt the actions of other agencies that have statutory responsibilities related to these investigations. Performance Goal 2 is intended to ensure that the Commission is meeting the deadlines for import injury investigations. For FY 2012, the measure for this goal was changed to focus on meeting statutory deadlines instead of internal deadlines as meeting external deadlines more directly pertains to the Commission’s strategic goal for import injury investigations.

Performance Goal 2: Meet statutory and court deadlines.																							
Measure	FY 2012 Submit all reports, determinations, memoranda, draft opinions, and briefs by the statutory or court deadline.	FY 2013 Submit all reports, determinations, memoranda, draft opinions, and briefs by the statutory or court deadline.																					
Targets	FY 2012 100%	FY 2013 100%																					
Results	<p style="text-align: center;">Percentage of reports delivered on time</p> <table border="1"> <caption>Percentage of reports delivered on time</caption> <thead> <tr> <th>Fiscal Year</th> <th>Percentage of reports on time</th> <th>Target</th> </tr> </thead> <tbody> <tr> <td>FY 2007</td> <td>100%</td> <td>100%</td> </tr> <tr> <td>FY 2008</td> <td>100%</td> <td>100%</td> </tr> <tr> <td>FY 2009</td> <td>99.5%</td> <td>100%</td> </tr> <tr> <td>FY 2010</td> <td>100%</td> <td>100%</td> </tr> <tr> <td>FY 2011</td> <td>99.5%</td> <td>100%</td> </tr> <tr> <td>FY 2012</td> <td>100%</td> <td>100%</td> </tr> </tbody> </table>		Fiscal Year	Percentage of reports on time	Target	FY 2007	100%	100%	FY 2008	100%	100%	FY 2009	99.5%	100%	FY 2010	100%	100%	FY 2011	99.5%	100%	FY 2012	100%	100%
Fiscal Year	Percentage of reports on time	Target																					
FY 2007	100%	100%																					
FY 2008	100%	100%																					
FY 2009	99.5%	100%																					
FY 2010	100%	100%																					
FY 2011	99.5%	100%																					
FY 2012	100%	100%																					
Source	Dates of issuance reported by GC and INV.																						

Whether measuring timely issuance of documents internally (target through FY 2011) or meeting statutory or court deadlines, the Commission has generally met this goal in recent years. Since FY 2007, the Commission has issued 1,085 documents with 1,083 (99.8 percent) being submitted by the deadline. As noted, meeting statutory deadlines is critically important and issuance of staff reports to interested parties supports a transparent process and allows parties the opportunity to present their best arguments to the Commission. This in turn provides the Commission with a comprehensive record upon which to make sound determinations.

## Improving Information Collection

The Commission continually looks for ways to improve its investigation processes to ensure that import injury determinations are based on an effective exchange of information between the Agency and interested parties, and that procedures are efficient and fair, resulting in sound and timely determinations. Performance Goal 3 is intended to ensure that the Commission’s processes and procedures for import injury investigations are subject to frequent evaluation, with improvements being made on a continuous basis. The



Commission has made progress in this area each year over the past several years, and in FY 2012, it completed or began implementing several significant improvements.

During FY 2012, the Commission continued to take steps to assess and improve its information collection processes. The Commission used email as the primary method to transmit questionnaires to interested parties and other responding firms. The Commission also regularly evaluates questionnaires to reduce the burden on responding firms, including by eliminating unnecessary questions and streamlining others. Based on feedback from several sources, the Commission is evaluating more efficient methods to collect lost sales and lost revenue data from U.S. producers. Current practice includes collecting numerous data points for each allegation, and firms often find these data difficult to provide. An internal working group is exploring alternative ways to collect these data, with a goal of reducing the burden on responding firms while continuing to provide Commissioners with useful data for their determinations.

Commission staff also continued to make progress on making questionnaire processing fully electronic. Commission staff is working toward full implementation in FY 2013. Shifting to electronic extraction of data from questionnaires will improve efficiency, as it will allow Commission staff to devote more time to analytical activities, and will also reduce data entry errors.

While the Commission made strides in improving methods of gathering and processing investigative data, one portion of this goal, the issuance of a survey to investigation participants, was not completed in FY 2012. A survey to external parties was created and vetted with internal stakeholders; this survey will be issued in early FY 2013. The Commission will evaluate information provided by external parties and will seek to implement viable process or procedural improvements. Obtaining feedback from external parties that are involved in import injury investigations is valuable in ensuring that the Commission’s procedures are efficient and fair.

<b>Performance Goal 3: Improve the development of investigative records.</b>		
	FY 2012	FY 2013
<b>Measure</b>	Make progress on improving methods of gathering and processing investigative data, such as streamlining questionnaires, taking into account results of biennial survey of investigation participants regarding investigative procedures.	Make progress on improving methods of gathering and processing investigative data, such as streamlining questionnaires.
<b>Targets</b>	FY 2012 Progress made.	FY 2013 Increase the use of electronic delivery of questionnaires to industry participants and increase electronic processing of questionnaire data.

Performance Goal 3: Improve the development of investigative records. — (cont'd)			
Results	Year	Summary of Progress	Target
	FY 2012	Improved use of electronic data extraction for respondent's questionnaires.	Partially met
	FY 2011	Streamlined respondents' questionnaires, better utilized electronic delivery methods to improve productivity.	Met
	FY 2010	Began distributing CD's with electronic versions of the questionnaires to respondents, rather than paper copies to improve response rate, accuracy, and reduce paper use.	Met
	FY 2009	Examined generic questionnaires to ensure that data requests were clear and that ambiguous or unnecessary questions were eliminated.	Met
Source	Improvements implementation by INV and OCIO.		

## Improving Transparency and Access to Information

Access to information and a sound understanding of applicable statutes and the Commission's procedures is an important component of the strategic goal for import injury investigations, which is based on an "effective exchange of information between the Commission and interested parties and transparent, fair, and equitably implemented procedures. Performance Goal 4 is intended to ensure that the Commission's import injury processes and procedures are transparent to interested parties and the general public. The measures used to evaluate the Commission's performance in this regard are intended to demonstrate that the information that the Commission offers the public (via the website) or interested parties to investigations (via the Agency's Electronic Document Information System (EDIS)) is readily available and informative. USITC staff's outreach efforts help potential participants in import injury proceedings in their interactions with the Agency.

<b>Performance Goal 4:</b> Improve the scope, quality, and transparency of information regarding investigations that is made available to investigative participants and the public.																
	FY 2012	FY 2013														
Measure	(a) Achieve improvement over the FY 2011 level of satisfaction reported by users of the Commission's import injury web pages.	N/A														
Targets	FY 2012 1-point improvement.	FY 2013 N/A														
Results	<p style="text-align: center;">Satisfaction levels reported by users of Import Injury webpages</p> <table border="1"> <caption>Satisfaction Levels Data</caption> <thead> <tr> <th>Year</th> <th>Index</th> </tr> </thead> <tbody> <tr> <td>2007</td> <td>71</td> </tr> <tr> <td>2008</td> <td>66</td> </tr> <tr> <td>2009</td> <td>62</td> </tr> <tr> <td>2010</td> <td>65</td> </tr> <tr> <td>2011</td> <td>63</td> </tr> <tr> <td>2012</td> <td>70</td> </tr> </tbody> </table> <p style="text-align: center;">Target: 1-point improvement from previous year</p>		Year	Index	2007	71	2008	66	2009	62	2010	65	2011	63	2012	70
Year	Index															
2007	71															
2008	66															
2009	62															
2010	65															
2011	63															
2012	70															
Source	ForeSee results.															
	FY 2012	FY 2013														
Measure	(b) Staff conducts outreach to industry groups and others to ensure they understand Commission capabilities and process.	(b) Staff conducts outreach to industry groups and others to ensure they understand Commission capabilities and process.														
Targets	FY 2012 Outreach conducted	FY 2013 Outreach conducted														
Results	FY 2012: Target met. Outreach to other government agencies, U.S. companies and their counsel, and the general public.  FY 2011: Target met. Outreach to other government agencies, U.S. companies and their counsel, and the general public.															
Source	Number of outreach initiatives reported by INV.															

<b>Performance Goal 4:</b> Improve the scope, quality, and transparency of information regarding investigations that is made available to investigative participants and the public. — (cont'd)																														
Measure	FY 2012 (c) Make documents filed on EDIS available promptly.	FY 2013 (c) Make documents filed on EDIS available promptly.																												
Targets	FY 2012 80% availability in 24 hours, 90% in 48 hours.	FY 2013 80% availability in 24 hours, 90% in 48 hours.																												
Results	<div style="display: flex; justify-content: space-around;"> <div style="width: 45%;"> <p style="text-align: center;"><b>Actual processing within 24 hours</b></p> <table border="1"> <caption>Actual processing within 24 hours</caption> <thead> <tr><th>Fiscal Year</th><th>Percent</th></tr> </thead> <tbody> <tr><td>FY 2007</td><td>55</td></tr> <tr><td>FY 2008</td><td>80</td></tr> <tr><td>FY 2009</td><td>85</td></tr> <tr><td>FY 2010</td><td>92</td></tr> <tr><td>FY 2011</td><td>93</td></tr> <tr><td>FY 2012</td><td>95</td></tr> </tbody> </table> </div> <div style="width: 45%;"> <p style="text-align: center;"><b>Actual processing within 48 hours</b></p> <table border="1"> <caption>Actual processing within 48 hours</caption> <thead> <tr><th>Fiscal Year</th><th>Percent</th></tr> </thead> <tbody> <tr><td>FY 2007</td><td>75</td></tr> <tr><td>FY 2008</td><td>88</td></tr> <tr><td>FY 2009</td><td>92</td></tr> <tr><td>FY 2010</td><td>98</td></tr> <tr><td>FY 2011</td><td>98</td></tr> <tr><td>FY 2012</td><td>98</td></tr> </tbody> </table> </div> </div>		Fiscal Year	Percent	FY 2007	55	FY 2008	80	FY 2009	85	FY 2010	92	FY 2011	93	FY 2012	95	Fiscal Year	Percent	FY 2007	75	FY 2008	88	FY 2009	92	FY 2010	98	FY 2011	98	FY 2012	98
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FY 2011	98																													
FY 2012	98																													
Source	OAS.																													

The Commission met all targets for Performance Goal 4 in FY 2012. Foresee survey results, which are used to measure satisfaction of users of the Commission’s import injury website, indicate a score of 70 for FY 2012. While Foresee satisfaction scores for import injury web pages have fluctuated during the past five years (see figure above), the score for FY 2012 indicated a higher score than in FY 2011. However, the number of respondents dropped significantly. The Commission has tracked these survey results for its overall website and specific web pages for a number of years. Subsequent to disappointing results regarding user satisfaction with the Commission’s overall website during FY 2011, the Commission reviewed the site, focusing on attributes such as navigation as well as content, and fully updated it. The new site was deployed in December 2011. The Commission will continue to use this survey to help identify areas for improvement as the website is one of the main methods of providing information to the public. For FY 2013, the Commission will continue to assess Foresee scores and act on suggestions provided by respondents to the survey, but will not set targets for individual webpages because the low response levels make year-to-year comparisons less meaningful.

The performance measure focusing on staff outreach to industry groups was set in FY 2011 to track the Commission's outreach to assist potential participants in import injury proceedings in their interaction with the Agency. While this was a new measure in FY 2011, the Commission has performed outreach and provided information on import injury investigations to the general public for many years. During FY 2012, the Commission conducted numerous contact/outreach efforts with other U.S. government agencies, including the Department of Commerce, the Department of Labor, and the Government Accountability Office. During FY 2012, Commission staff provided information on import injury investigation procedures to various U.S. industry representatives as well as to representatives of foreign governments, including China, France, and Kazakhstan. In addition to formal presentations on import injury investigations, Commission staff responded to numerous inquiries via phone or email providing information on import injury investigations.

The availability of investigative record materials directly relates to the Commission's strategic goal for import injury investigations, specifically, supporting the "effective exchange of information between the Commission and interested parties; an appropriate investigative record; and transparent, fair, and equitably implemented procedures." The Commission met its targets with regard to availability of record investigation materials. In FY 2012, 96.3 percent of documents were processed and posted on EDIS within 24 hours of filing and 99.4 percent were available within 48 hours, as shown above. Prompt availability of investigative record material is important as it enhances the ability of parties to participate in import injury proceedings, and thus provides the Commission with a complete record upon which to make sound determinations.

In FY 2012, the Commission implemented a policy requiring most import injury-related documents to be filed electronically. To accommodate this policy change, upgrades were made to EDIS to allow both public and confidential documents to be submitted by external filers. These new e-filing procedures were adopted to reduce costs for the Agency and to improve the efficiency and effectiveness of the filing process.

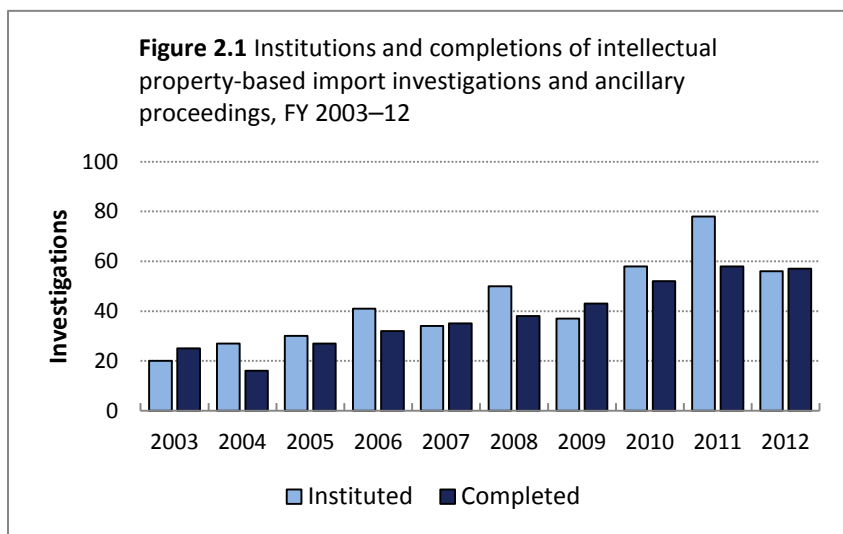
# INTELLECTUAL PROPERTY-BASED IMPORT INVESTIGATIONS

## Overview

The Commission’s strategic goal for Intellectual Property-based Import Investigations is to:

*Conduct intellectual property-based import investigations in an expeditious, technically sound, and transparent manner, and provide for effective relief when relief is warranted, to support a rules-based international trading system.*

Intellectual Property-based Import Investigations concern the adjudication of complaints brought under section 337 of the Tariff Act of 1930 that allege infringement of U.S. intellectual property rights (IPR) and other unfair methods of competition and unfair acts by imported goods.<sup>3</sup> These investigations are usually based on claims of patent infringement, and often involve complex technologies and multiple accused infringers. Proceedings to determine whether there has been a violation of section 337 are conducted in accordance with the Administrative Procedure Act (APA), which gives the parties the opportunity to conduct discovery of evidence, to present evidence, and to make legal arguments before the administrative law judges (ALJs) and the Commission.<sup>4</sup> The procedures employed in these investigations are designed to offer the parties timely adjudications.



The Commission’s activities extend beyond the initial adjudication of complaints alleging violations of section 337. Although Customs and Border Protection (CBP) is responsible for enforcing the primary remedy available for a section 337 violation, which is an exclusion order prohibiting infringing imports from entering the United States, the Commission works to support enforcement by conducting enforcement, modification, and

advisory opinion proceedings regarding outstanding remedial orders, and providing information to CBP in support of their exclusion order enforcement activities. The Commission also defends its determinations under section 337 in appellate proceedings before the U.S. Court of Appeals for the Federal Circuit.

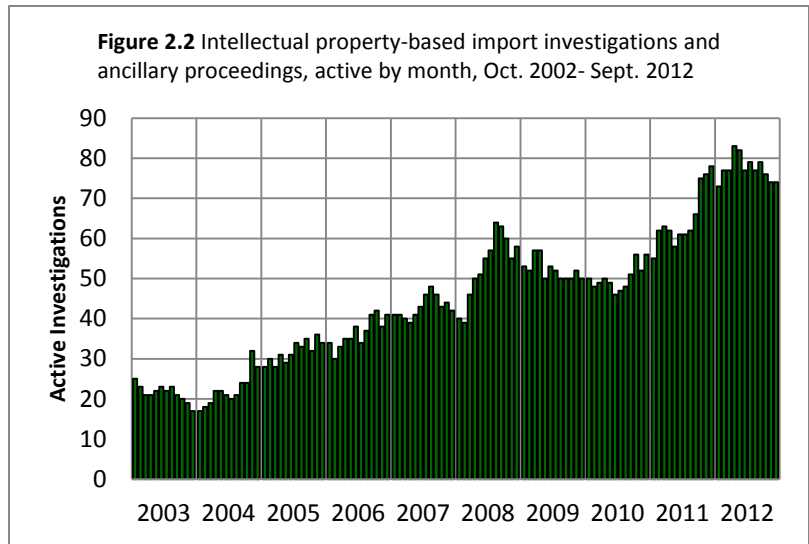
Patent holders have increasingly sought relief under section 337 for infringement involving imported goods, and the number of section 337 proceedings in FY 2012 was nearly triple that of FY 2003. Although the number of investigations instituted in FY 2012 based on new section 337 complaints was below the historic

<sup>3</sup> 19 U.S.C. §1337.

<sup>4</sup> 5 U.S.C. §§551 et seq.

level of FY 2011, the level of new investigations remained at a relatively high level this year. Specifically, during FY 2012, the Commission instituted 48 new investigations, as well as 8 new ancillary proceedings (figure 2.1). In total, 129 investigations and ancillary proceedings were active during the course of both FY 2011 and 2012, as compared to 103 in FY 2010. As shown in figure 2.2 below, the number of active proceedings per month has increased since FY 2003, with an average of 77 matters active per month in FY 2012 as compared to an average of 21 active proceedings per month in 2003.

Not only has the number of new complaints grown substantially, but the complexity of the investigations has also intensified inasmuch as patents on cutting edge technologies, most often in the electronics and telecommunications industries, have comprised the majority of the docket in recent years. These investigations have increasingly involved large numbers of respondents, as well as a large number of asserted patents and claims. As the caseload climbed, the demand for courtroom space for section 337



evidentiary hearings and other proceedings rose as well. After delays due to budget uncertainty for much of FY 2011, construction of a third courtroom, which is well equipped to handle large trials, and those which benefit from audio-visual capabilities, was completed in October 2012, and the ALJs began using it shortly thereafter.

The Commission has established four performance goals for Intellectual Property-based Import Investigations. The first goal, which reflects the importance of adherence to legal requirements and the need for expeditious resolution of intellectual property disputes, is directed to meeting certain key statutory and administrative deadlines and improving the timeliness of section 337 proceedings. The second goal, which reflects the need to ensure that information regarding section 337 proceedings is promptly available to the parties and the public, is directed to improving transparency and access to information concerning section 337 investigations. The third goal, which reflects the need for effective relief when the Commission determines that an exclusion order is warranted, is directed toward facilitating the enforcement of exclusion orders. The fourth goal, which reflects the need to consider public interest factors enumerated in section 337, is directed toward improving the process of gathering information relevant to the public interest factors.

Notwithstanding the growth in the section 337 caseload, particularly in the last three years, and the resulting pressure on personnel who work on section 337 matters, the Commission continued to meet the majority of its targets in FY 2012.

In addition to investigative activities, the Commission also undertook several rulemaking efforts during FY 2012. Final rules regarding new procedures to aid in the development of fuller records on public interest issues were published in October 2011.<sup>5</sup> In July 2012, the Commission published another set of proposed rules amendments intended to improve the administration of section 337 proceedings by clarifying certain provisions, harmonizing different parts of the Commission's rules, and addressing certain concerns that have arisen in Commission practice.<sup>6</sup> These proposed rules amendments include, among other things, limits on the numbers of interrogatories and depositions, and new procedures relating to the electronic filing of motions and other items. Additionally, during FY 2012, a working group at the Commission considered ways to streamline discovery of electronically stored information or “e-discovery,” such as e-mails and source code, while preserving the opportunity for fair and efficient discovery for all parties. As part of this effort, the Commission gathered input from litigants, academics, district and appellate court judges, and bar associations over a period of months. Thereafter, on October 5, 2012, the Commission published for public comment proposed rules that may limit discovery in section 337 investigations by implementing certain standards regarding the discovery of electronically stored information and the discovery of privileged or protected information.<sup>7</sup> The Commission requested comments on these proposed new rules by December 4, 2012.

During FY 2012, the Commission implemented staffing changes in the Office of the ALJs so that each ALJ would have two law clerks dedicated to section 337 investigations. Also, the implementation of new staffing approaches in OUII, first introduced in the second quarter of FY 2011 following an assessment of resource needs in this area, continued throughout FY 2012. Distribution of a survey to internal and external participants in section 337 proceedings, which is designed to assist in assessing these approaches, began at the end of FY 2012.

Each of the performance goals for Intellectual Property-based Import Investigations and the Commission's experience in meeting those goals is discussed below.

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<sup>5</sup> The Federal Register notice, published on October 19, 2011, regarding these new rules can be accessed at [http://usitc.gov/secretary/fed\\_reg\\_notices/rules/finalrules210.pdf](http://usitc.gov/secretary/fed_reg_notices/rules/finalrules210.pdf).

<sup>6</sup> The Federal Register notice regarding these new rules can be accessed at [http://usitc.gov/secretary/fed\\_reg\\_notices/rules/MISC\\_040\\_notice07022012sgl\\_1.pdf](http://usitc.gov/secretary/fed_reg_notices/rules/MISC_040_notice07022012sgl_1.pdf)

<sup>7</sup> The Federal Register notice regarding these new rules can be accessed at [http://www.usitc.gov/secretary/fed\\_reg\\_notices/rules/2012-24633.pdf](http://www.usitc.gov/secretary/fed_reg_notices/rules/2012-24633.pdf)



## Meeting Statutory and Administrative Deadlines and Improving Timeliness

The Commission focuses on timeliness and expedition in the administration of section 337 proceedings. This reflects the fact that intellectual property holders often file complaints under section 337 because they desire a speedy resolution to their dispute. Such disputes often take many years to resolve in other forums. Speed of adjudication is highly valued in areas where technology changes rapidly, such as telecommunications, which account for a large portion of the section 337 docket. Speedy resolution is also desired because pending intellectual property disputes can lead to uncertainty in the marketplace that can affect customer purchasing decisions and strategic business decisions.

As shown in the following table, and discussed further below, although targets for these measures were not fully met this year, the Commission's overall performance with respect to adherence to deadlines was quite strong and the average length of section 337 investigations in FY 2012 was less than in FY 2008, 2009 and 2010.

The Commission designs investigative schedules to promote rapid adjudications. In FY 2012, the Commission set statutory and key administrative deadlines in 129 active investigations. These deadlines are those governing the institution of investigations, the establishment of target dates, the issuance of initial determinations (IDs) and final determinations by the judges and the Commission, respectively, and the filing of appellate briefs. Despite the heavy workload this year, all but 6 of more than 150 deadlines were met during the year.

The average length of section 337 investigations in FY 2012 was 16.5 months, which exceeds the target of 13.5 months. This measure seeks to ensure that the average length of section 337 investigations is within timeframes that are consistent with those achieved before mandatory time limits for the completion of investigations were removed from the statute pursuant to the Uruguay Round Agreements Act (URAA) on December 31, 1994, and consistent with Congressional direction in the URAA implementing report to conclude each investigation at the earliest practicable time, which Congress expected to be within approximately the same amount of time as the pre-URAA practice.<sup>8</sup>

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<sup>8</sup> S. Rep. No. 103-412, at 119 (1994).

<b>Performance Goal 1: Meet statutory and key administrative and court deadlines, conclude Section 337 investigations expeditiously, and reduce the average time to conclude ancillary proceedings.</b>															
Measure	<table border="1"> <tr> <td>FY 2012</td> <td>FY 2013</td> </tr> <tr> <td>(a) Institute investigations; set target dates; and file TEO and final IDs, TEO and final determinations, and court briefs on time.</td> <td>(a) Complete the following actions on or before prescribed deadlines:                      (i) Institute new investigations;                      (ii) Establish target dates for the completion of investigations;                      (iii) Issue TEO and Initial Determinations;                      (iv) Make TEO and Final Determinations; and                      (v) File appellate briefs.</td> </tr> </table>	FY 2012	FY 2013	(a) Institute investigations; set target dates; and file TEO and final IDs, TEO and final determinations, and court briefs on time.	(a) Complete the following actions on or before prescribed deadlines: (i) Institute new investigations; (ii) Establish target dates for the completion of investigations; (iii) Issue TEO and Initial Determinations; (iv) Make TEO and Final Determinations; and (v) File appellate briefs.										
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Targets	<table border="1"> <tr> <td>FY 2012</td> <td>FY 2013</td> </tr> <tr> <td>100% of actions timely.</td> <td>100% of actions timely.</td> </tr> </table>	FY 2012	FY 2013	100% of actions timely.	100% of actions timely.										
FY 2012	FY 2013														
100% of actions timely.	100% of actions timely.														
Results	<p>During FY 2008 through FY 2012, the Commission generally met this target. In FY 2009 and FY 2010, the target was fully met; no deadlines were missed. Three deadlines were missed in FY 2008, four deadlines were missed in FY 2011, and six deadlines were missed in FY 2012. However, the total of thirteen deadlines missed during this 5-year period represents a small percentage of the hundreds of key deadlines set in section 337 investigations.</p>														
Source	Institution, target dates set, and documents filed within deadlines, as reported by OUII and GC.														
Measure	<table border="1"> <tr> <td>FY 2012</td> <td>FY 2013</td> </tr> <tr> <td>(b) Conclude investigations into alleged section 337 violations within timeframes that are consistent with the URAA implementing report.</td> <td>(b) Conclude investigations into alleged section 337 violations within timeframes that are consistent with the URAA implementing report.</td> </tr> </table>	FY 2012	FY 2013	(b) Conclude investigations into alleged section 337 violations within timeframes that are consistent with the URAA implementing report.	(b) Conclude investigations into alleged section 337 violations within timeframes that are consistent with the URAA implementing report.										
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Results	<p style="text-align: center;">Average investigation length in months</p> <table border="1"> <caption>Average investigation length in months (2007-2012)</caption> <thead> <tr> <th>Year</th> <th>Average Length (Months)</th> </tr> </thead> <tbody> <tr> <td>2007</td> <td>~16.5</td> </tr> <tr> <td>2008</td> <td>~16.5</td> </tr> <tr> <td>2009</td> <td>~18.0</td> </tr> <tr> <td>2010</td> <td>~18.5</td> </tr> <tr> <td>2011</td> <td>~13.5</td> </tr> <tr> <td>2012</td> <td>~16.5</td> </tr> </tbody> </table>	Year	Average Length (Months)	2007	~16.5	2008	~16.5	2009	~18.0	2010	~18.5	2011	~13.5	2012	~16.5
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Source	Investigation length is within timeframes, as reported by OUII and GC.														

<b>Performance Goal 1: Meet statutory and key administrative and court deadlines, conclude Section 337 investigations expeditiously, and reduce the average time to conclude ancillary proceedings.— (cont'd)</b>																																					
Measure	FY 2012 (c) Ensure that the average length of ancillary proceedings is no more than the following: (i) modification: 6 months. (ii) advisory: 12 months. (iii) enforcement: 12 months. (iv) consolidated ancillaries: 15 months.	FY 2013 (c) Ensure that the average length of ancillary proceedings is no more than the following: (i) modification: 6 months. (ii) advisory: 12 months. (iii) enforcement: 12 months. (iv) consolidated ancillaries: 15 months.																																			
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Before the URAA was passed, the statute required section 337 investigations to be completed in 12 to 18 months. During the three-year period before the URAA was enacted, the average time for completing an investigation was 13.5 months for investigations in which the Commission rendered a final decision on the merits of the existence of a violation.<sup>9</sup> Not surprisingly, adherence to the pre-URAA timeframe has proven to be a challenge, as the number of new complaints and the complexity of the resulting investigations has sharply increased. The difficulty is evident in table 2.1 below, which summarizes the length of investigations for each of the last five years. Although the Commission came close to meeting the target in FY 2011, it did not do so in other years. The average length of investigations that proceeded to a decision on merits this year was above that of FY 2011, although less than in FY 2008-2010.

<sup>9</sup> In total, 36 new section 337 investigations were commenced during this three-year period, and only 13 of those investigations were ultimately litigated to a final decision on the merits.

**TABLE 2.1** Length of investigations, FY 2008–12

Fiscal Year	Investigations completed <sup>a</sup>	Completion time (in months)		
		Shortest	Longest	Average
2008	15 (5 instituted in 2006, 9 in 2007, 1 in 2008)	6.0	28.0	16.7
2009	16 (1 instituted in 2006, 6 in 2007, 9 in 2008)	3.5	28.5	17.9
2010	22 (1 instituted in 2004, 1 in 2007, 11 in 2008, 8 in 2009, 1 in 2010) <sup>b</sup>	6.4	25.4 <sup>b</sup>	18.4
2011	17 (1 instituted in 2008, 1 in 2009, 12 in 2010, 3 in 2011)	5.2	24.2	13.7
2012	22 (9 instituted in 2010, 11 in 2011, 2 in 2012)	2.6	28.9	16.5

**Source:** OUII.

<sup>a</sup>Investigations in which the Commission rendered a final decision on the merits of the existence of a violation. Thus, these data do not include, for example, cases which settled before a final decision. The data also do not include ancillary proceedings.

<sup>b</sup>One investigation that concluded in FY 2010 had been pending since 2004. Because of the anomalous length of this investigation, which involved protracted district court subpoena enforcement proceedings as well as a subsequent remand back to the ALJ by the Commission, this investigation was not included in calculating the average length of investigations that concluded during FY 2010.

The Commission took several steps in the past year to address the length of 337 investigations. Because the scheduling of trials has become increasingly problematic as the caseload has grown and the Commission’s ALJ corps has expanded to handle the increased caseload, the Commission sought to expand its courtroom space to ensure continued expeditious adjudications of section 337 complaints. In this regard, the Commission completed construction of a third courtroom in FY 2012 that is designed to accommodate large trials in cases involving complex technologies. And, in an effort to conserve Commission and private party resources, during FY 2012, the Commission continued to refine its mediation program, which was launched in FY 2009, to facilitate more settlements and streamlining of investigations. In FY 2012, the Commission also established an internal working group, which includes the Commission’s ALJs, as well as members of OUII, OGC and the Commissioners’ offices, to consider ways in which target dates for completion of section 337 proceedings might be reduced.

While the establishment of target dates is not statutorily required for advisory opinion and modification proceedings, the Commission has adopted timeliness targets for these ancillary proceedings, as well as for enforcement proceedings, which play an important role in the enforcement of Commission remedies. Although one consolidated proceeding extended slightly beyond the targeted timeframe, consolidation allowed the Commission to address three matters more efficiently than considering them separately.

## Improving Transparency and Access to Information

Increased access to information and increased understanding of the applicable statutes and the Commission’s procedures are an important component of the strategic goal for Intellectual Property-based Import Investigations, which the Commission strives to achieve by conducting its investigations in a “technically sound and transparent manner . . . . to support a rules-based international trading system.” Improving the scope, quality and transparency of information available to litigants and the public regarding section 337 investigations is an important objective of the Commission.

Performance Goal 2: Improve the scope, quality, and transparency of information regarding section 337 investigations that is made available to investigative participants and the public.																		
	FY 2012	FY 2013																
Measure	(a) Improve over the FY 2011 level of satisfaction reported by users of Commission intellectual property infringement webpages.	N/A																
Targets	FY 2012 1-point improvement.	FY 2013 N/A																
Results	<p style="text-align: center;">Website user satisfaction rate, FY 2006–12</p> <table border="1"> <caption>Website user satisfaction rate, FY 2006–12</caption> <thead> <tr> <th>Fiscal Year</th> <th>Index</th> </tr> </thead> <tbody> <tr> <td>2006</td> <td>65</td> </tr> <tr> <td>2007</td> <td>62</td> </tr> <tr> <td>2008</td> <td>54</td> </tr> <tr> <td>2009</td> <td>56</td> </tr> <tr> <td>2010</td> <td>63</td> </tr> <tr> <td>2011</td> <td>57</td> </tr> <tr> <td>2012</td> <td>56</td> </tr> </tbody> </table> <p style="text-align: center;">Target: 1-point improvement from previous year</p>		Fiscal Year	Index	2006	65	2007	62	2008	54	2009	56	2010	63	2011	57	2012	56
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Fiscal Year	Percent																													
FY 2007	78																													
FY 2008	92																													
FY 2009	92																													
FY 2010	95																													
FY 2011	98																													
FY 2012	98																													
Source	Time of document availability reported by OAS.																													
Measure	FY 2012 (c) Staff conducts outreach to bar groups and others to ensure they understand Commission capabilities and process.	FY 2013 (c) Staff conducts outreach to bar groups and others to ensure they understand Commission capabilities and process.																												
Targets	FY 2012 Outreach efforts made.	FY 2013 Outreach efforts made.																												
Results	FY 2012: Target met. Outreach to bar groups, law students, and foreign officials. FY 2011: Target met. Outreach to bar groups, law students, and foreign officials.																													
Source	External contacts made, as reported by OUII and GC.																													

User satisfaction with the Commission’s intellectual property infringement web pages fell from a rating of 56 in FY 2012, compared with a rating of 57 in FY 2011. This page includes links to a variety of resources, including the [Section 337 Investigational History](#) database, which was regularly updated and supplemented during FY 2012, and the [Section 337 Frequently Asked Questions](#) pamphlet. The Foresee survey tool was used to gauge user satisfaction with the intellectual property page and other sections of the Commission’s website. As can be seen from the figure above, satisfaction scores for the intellectual property web pages have fluctuated in the last five years, reaching a high of 63 in FY 2010 and then dropping back to 56 in FY 2012. While the FY 2012 goal of a 1 point improvement in this score over the FY 2011 score was not met for the intellectual property infringement web pages, the Foresee sample size for these pages was so small that the reliability of this measure is questionable. As noted in the Import Injury Investigations section, in FY 2013 the Commission will track performance of its overall website rather than that of specific web pages.

The second measure pertaining to Performance Goal 2 focuses upon the availability of Commission filings on EDIS. As noted in the earlier discussion of import injury investigations, the Commission provides an electronic option for filing documents with the Commission and gives nearly real-time public access to information and updates via the Internet through EDIS. The timeframe targets for making investigative record materials available on EDIS are intended to ensure that both investigation participants and the public have quick access to information pertaining to section 337 proceedings and thereby enhance their ability to understand and participate in such proceedings. These targets relate directly to Intellectual Property-based Import Investigations' strategic goal of conducting transparent investigations.

As discussed in the Import Injury section (above), the Commission significantly improved processing rates in FY 2010, and hence raised the record availability targets for FY 2011 and FY 2012. As shown in the figures above, the availability targets for section 337 documents on EDIS were again met in FY 2012, with 24-hour and 48-hour availability rates of 98.0 percent and 99.7 percent, respectively.

As noted above, at the beginning of FY 2012, the Commission published new rules that require most documents in section 337 proceedings to be filed electronically. The new e-filing procedures are expected to cut costs for the Commission and improve the efficiency of the filing process. Additional rules regarding, *inter alia*, electronic service were published in July 2012. Additionally, during the year, Commission personnel from OCIO, Docket Services, and several offices at the Commission that are involved in the section 337 process worked to develop a database that will serve as an internally searchable repository for information regarding section 337 proceedings. This database, which will improve the efficiency of information gathering and reporting by the Commission, will ultimately produce a replacement to the Section 337 Investigational History on the USITC website, providing the public with access to substantially more information about past and on-going proceedings than has been previously available.

In a further effort to expand the information available to litigants and members of the public, a new measure relating to outreach efforts by Commission staff was added for FY 2011 and 2012. This measure addresses efforts by staff to reach out to bar groups and others to educate them about the Commission's capabilities and the section 337 process. During FY 2012, the outreach target was satisfied as representatives from a number of Commission offices, including Commissioners, and staff in ALJ, GC, OUII and SE, have provided information on section 337 requirements, procedures, and remedies to visiting representatives of foreign governments, in formal presentations to bar groups that include industry representatives, and in a variety of other settings.

## Facilitating Exclusion Order Enforcement

Exclusion orders, which direct Customs and Border Protection (CBP) to prohibit infringing goods from entering the United States, are generally viewed as a powerful form of remedy and an important feature of section 337. Actively facilitating the enforcement of exclusion orders is directly related to the Commission's mandate to provide "effective relief when relief is warranted" in section 337 proceedings, in accordance with its strategic goal for Intellectual Property-based Import Investigations. Performance Goal 3 is focused on facilitating the prompt enforcement of exclusion orders.

The Commission successfully met its target of issuing seizure and forfeiture orders within 30 days after the receipt of notification letters from CBP. When there has been an attempt to import goods in violation of an

exclusion order, CBP issues a notification letter of denial of entry to the importer. Because seizure and forfeiture orders must be issued by the Commission before CBP can seize and forfeit such goods, CBP transmits these entry denial notification letters to the Commission. Once the Commission receives a copy of the notification letter, it issues a seizure and forfeiture order to CBP directing it to seize any future importations by the same importer that violate the exclusion order. Seizure and forfeiture orders are a valuable enforcement tool in that they frustrate “port shopping” efforts by infringers, who may seek to evade an exclusion order by taking their goods from port to port in hopes of passing the goods surreptitiously through CBP.

In FY 2009, the Commission substantially revised the previous goal relating to the issuance of seizure and forfeiture orders. The revised goal, which had been linked to the end of a waiting period during which importers could protest a denial of entry letter with CBP, substantially shortened the period for issuance of seizure and forfeiture orders by the Commission to 60 days after the receipt of a notification letter from CBP. The revised goal was met in FY 2010 with respect to all but one of 11 orders issued that year. In FY 2011, the measure and target were again met, with all seizure and forfeiture orders issuing within 19 days or less after receipt of a notification letter. In view of this improvement, this measure was further shortened for FY 2012 to 30 days after issuance. That goal was met for all nine seizure and forfeiture orders issued in FY 2012. While inclusion of this measure provided an impetus for improved procedures that have expedited the Commission’s issuance of seizure and forfeiture orders, these procedures are now fully established and working well. Thus, use of this measure will be discontinued in FY 2012 even though internal tracking of seizure and forfeiture will continue.

<b>Performance Goal 3: Actively facilitate enforcement of exclusion orders.</b>		
	FY 2012	FY 2013
<b>Measure</b>	(a) Issue seizure and forfeiture orders within 30 days after receipt of notification letters from CBP.	N/A
<b>Targets</b>	FY 2012 100% timely issuance.	FY 2013 N/A
<b>Results</b>	FY 2012: Target met. 100 percent issued within 30-day timeframe; average time of 26 days. FY 2011: Target met. 100 percent issued within 60-day timeframe; average time of 7 days. FY 2010: Target not met. Ninety-one percent issued within 60-day timeframe; average time of 26 days. FY 2009: Target not met. Letters issued outside timeframe; average time of 74 days.	
<b>Source</b>	Order issuance reported by GC.	



<b>Performance Goal 3: Actively facilitate enforcement of exclusion orders.— (cont'd)</b>		
<b>Measure</b>	(b) Provide terms of proposed exclusion orders to CBP, prior to submission to the Commission, and give Customs scheduling information for section 337 proceedings on a quarterly basis.	(b) Provide terms of proposed exclusion orders to CBP in investigations in which OUII participates, consider any feedback received from CBP before submitting proposed exclusion orders to the Commission, and give CBP scheduling information for section 337 proceedings on a quarterly basis.
<b>Targets</b>	FY 2012 Information provided in 100% of cases.	FY 2013 Information provided in 100% of cases.
<b>Results</b>	This target has been met for FY 2008 through FY 2012. OUII has provided CBP with scheduling information for Section 337 proceedings on a quarterly basis. It was OUII's historical practice to provide proposed exclusion orders to CBP before submitting them to the Commission. However, in FY-2011 OUII began tracking the submission of proposed exclusion orders to CBP before final submission to the Commission, for proceedings in which it is a participant, in addition to providing quarterly scheduling information for Section 337 proceedings to CBP.	
<b>Source</b>	CBP contacts reported by OUII and GC.	
<b>Measure</b>	FY 2012 (c) N/A	FY 2013 (c) Conduct a survey regarding the effectiveness of outstanding exclusion orders.
<b>Targets</b>	FY 2012 N/A	FY 2013 Survey questionnaires distributed
<b>Results</b>	FY 2012: N/A. FY 2011: Target met. Recommendations based on survey responses formulated and implemented. FY 2010: Target met. Survey conducted. FY 2009: N/A. FY 2008: N/A.	
<b>Source</b>	Survey questionnaire distributed reported by OUII.	

The Commission was also successful in meeting its FY 2012 target regarding the transmittal of scheduling information to CBP regarding pending section 337 matters, as well as providing information to CBP regarding exclusion orders. The intent of this measure is to improve communications with CBP by giving CBP an opportunity to comment on orders that may raise special enforcement concerns, as well as bolster enforcement by alerting CBP to upcoming orders so it can begin enforcing them as soon as possible. This measure was fully satisfied in FY 2012 as it has been in each year since FY 2008.

Finally, periodic surveys of exclusion holders conducted by the Commission help assess the effectiveness of section 337 exclusion orders and strengthen Commission procedures relating to the issuance of exclusion

orders. No survey was conducted in FY 2012, nor was one intended to be conducted. Surveys were conducted FY 2000, 2005, and 2010. In FY 2011, Commission personnel made recommendations to the Commission based on the results of the FY2010 survey, implemented these as appropriate, and shared the results with Customs personnel. The results of the survey were posted on the Commission’s website in early August 2011.<sup>10</sup> The Commission plans to conduct another exclusion order survey in FY 2013.

## Developing Public Interest Information

Developing public interest information was added to the FY 2011 performance plan to speed the identification of potential public interest issues in section 337 investigations and the development of information regarding these issues, where appropriate. This goal supports the overall strategic goal that investigations be both “technically sound and transparent” and that effective relief be provided when warranted. The Commission added this performance goal in response to comments from one of its statutory customers.

<b>Performance Goal 4:</b> Formalize the process to facilitate the identification of potential public interest issues in the early stages of a section 337 investigation and provide the parties a clear opportunity to address such issues prior to the remedy phase of an investigation.		
	FY 2012	FY 2013
Measure	Review comments on notice of rulemaking regarding public interest submissions and determine what further action is appropriate.	N/A
Targets	FY 2012 Conclude rulemaking process.	FY 2013 N/A
Results	FY 2012: Target met. Final rules issued. FY 2011: Target met. Decision made to issue final rules regarding public interest submission.	
Source	Determination reported by GC.	

The measure for this goal was satisfied in both FY 2011 and FY 2012. At the beginning of FY 2011, the Commission issued a notice of proposed rulemaking, in which it requested comments on several proposed rules that would provide for the filing of comments concerning the public interest by the parties and by the public at several stages of the investigation. After consideration of the public comments, the Commission decided to enact final rules regarding public interest comment procedures. This rule-making effort culminated with the publication of public interest rules on October 19, 2011.<sup>11</sup> The Commission has not

<sup>10</sup> Links to a summary of the survey results and related materials appear on the IP infringement page of the Commission website found at [http://usitc.gov/intellectual\\_property/](http://usitc.gov/intellectual_property/).

<sup>11</sup> 76 Fed. Reg. 64803. [http://usitc.gov/secretary/fed\\_reg\\_notices/rules/finalrules210.pdf](http://usitc.gov/secretary/fed_reg_notices/rules/finalrules210.pdf).

adopted a performance goal or measure relating to public interest submissions or associated rulemaking for FY 2013. However, the Commission will likely include a goal and measure involving an assessment of the new rules in FY 2014, after the Commission, the private parties, and the public have had some practical experience with these rules.

# INDUSTRY AND ECONOMIC ANALYSIS

## Overview

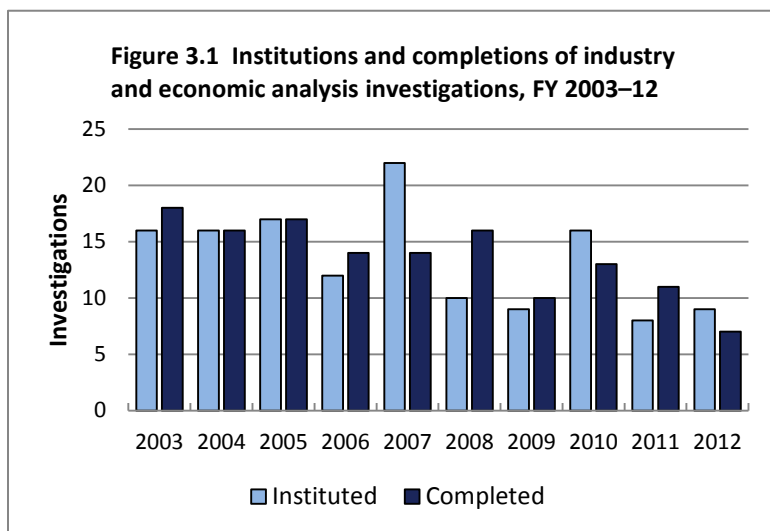
The Commission’s strategic goal for Industry and Economic Analysis activities is to

*Enhance the quality and timeliness of its industry and economic analysis to support sound and informed trade policy formulation.*

The Commission’s industry and economic analysis aims to provide policymakers in the legislative and executive branches with a sound foundation as they consider policy decisions. As a recognized leader in analyzing all aspects of international trade and industry competitiveness, the Commission provides its external customers with high quality, objective analysis, information, and data that are both timely and relevant to U.S. trade policy. In FY 2012, the Commission delivered 12 statutory reports to its customers, covering a wide range of complex topics; figures 3.1 and 3.2 show trends for these investigations and Appendix B lists publically available reports. More detail is provided in subsequent sections.

Investigations conducted by the Commission under Operation 3 are provided to requestors as either confidential or public reports. They generally fall into three broad categories:

- General fact-finding and analytical investigations;
- Probable economic effect investigations; and,
- Assessments of negotiated trade agreements.<sup>12</sup>



Note: Does not include recurring reports

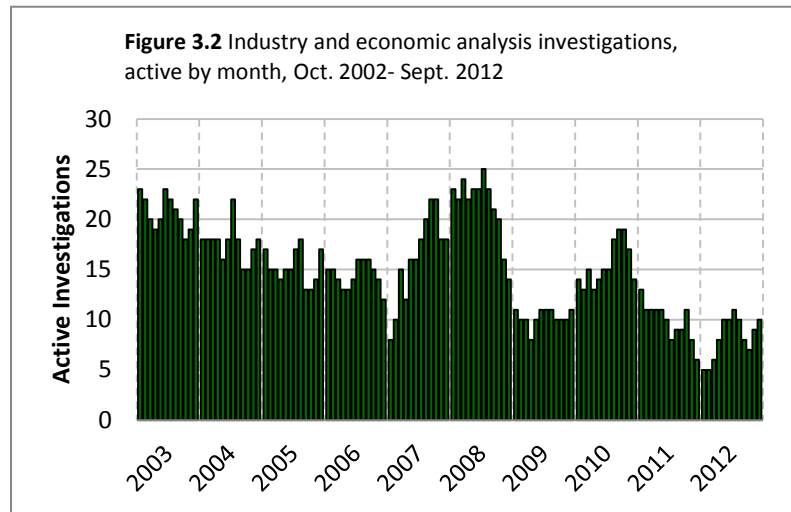
To provide requestors with reports that answer their complex and specific questions, the Commission dedicates personnel and financial resources to organize, analyze and synthesize information collected through (1) public hearings; (2) telephone surveys and interviews of U.S. producers, importers, and consumers, and government and academic experts; (3) domestic and foreign fieldwork; (4) primary data generation through questionnaires; (5) literature reviews; and (6) the development and application of new and insightful analytical techniques.

Improvement in several of these areas helped the Commission meet 10 of its 14 FY 2012 performance goals related to improving the efficiency of research and delivery of its products, expanding the capability to

<sup>12</sup> 19 U.S.C. §§ 1671 *et seq.*, 1332, 2151, and 3804.

address new areas of interest to policymakers, and ensuring the effectiveness and usefulness of the analysis and information that it provides. All three targets related to Performance Goal 1 were met and a majority of the targets related to Performance Goal 2 were met. The target for performance goal 3 was not met.

The targets that were met resulted in improved processes for communication with customers and review procedures to ensure quality and relevance of products. Those targets that were not met or were only partially met were primarily related to proactively developing analytical tools in anticipation of future requests. In large part, this was a reflection of resource constraints (particularly the availability of high-level economic modeling skills) emerging as attention was devoted to other priorities. The other target not met related to improving user satisfaction with the Industry and Economic Analysis webpages.



The Commission’s on-going challenge in the development and delivery of objective, specialized analysis and information—which is a central component of the Commission’s mission—largely centers on ensuring sufficient skilled human capital and data resources. Actions to meet this challenge are discussed in more detail below.

## Improving Research Methods

The objective of the Commissions’ first performance goal is to improve the effectiveness and efficiency of the research program and to deliver high quality, responsive analysis and information that meet policymakers’ needs. In FY 2012, Commission staff successfully met the goal’s three targets.

Feedback from both customers and Commissioners was used to evaluate the quality of delivered reports and improve the internal review process. Eleven statutory reports were delivered during FY 2012. Verbal feedback in briefings characterized the reports as “comprehensive”, “responsive to our request”, and “useful [in other policy work].” Written feedback included statements such as, “The report was extremely useful and well written...an excellent job of distilling a vast amount of information into a report that was concise and accessible.” Commissioner feedback also was generally positive, but did reveal the need for better clarity and communication in internal review processes and procedures. As a result, new procedures for Commission review of these types of statutory reports were drafted and are under review.

Performance Goal 1: Develop and improve efficient and effective research methods and deliver products that meet customer requirements.														
	FY 2012	FY 2013												
Measure	(1a) Feedback from executive branch and congressional staff categorizes delivered statutory reports as informative.	(1a) Staff from executive branch and/or congressional customers provides positive characterization of statutory reports (e.g., informative, well done).												
Targets	FY 2012 2% improvement over previous year.	FY 2013 2% improvement over previous year.												
Results	<p style="text-align: center;">Positive ratings recieved from customers on requested reports</p> <table border="1"> <caption>Positive ratings recieved from customers on requested reports</caption> <thead> <tr> <th>Fiscal Year</th> <th>Percent</th> </tr> </thead> <tbody> <tr> <td>FY 2008</td> <td>82</td> </tr> <tr> <td>FY 2009</td> <td>40</td> </tr> <tr> <td>FY 2010</td> <td>75</td> </tr> <tr> <td>FY 2011</td> <td>48</td> </tr> <tr> <td>FY 2012</td> <td>75</td> </tr> </tbody> </table>		Fiscal Year	Percent	FY 2008	82	FY 2009	40	FY 2010	75	FY 2011	48	FY 2012	75
Fiscal Year	Percent													
FY 2008	82													
FY 2009	40													
FY 2010	75													
FY 2011	48													
FY 2012	75													
Notes/Source	Note: The numerator for this measure is positive responses. The denominator is the number of reports delivered. There were no negative responses in FY 2012, a common result. Feedback provided by customers, reported by ER.													
	FY 2012	FY 2013												
Measure	(b) Deliver all section 332 reports to requesters on time.	(b) Deliver all section 332 reports to requesters on time.												
Targets	FY 2012 100% timely.	FY 2013 100% timely.												

<b>Performance Goal 1: Develop and improve efficient and effective research methods and deliver products that meet customer requirements. — (cont'd)</b>													
Results	<p style="text-align: center;">Percentage of reports delivered on time</p> <table border="1"> <caption>Data for Percentage of reports delivered on time</caption> <thead> <tr> <th>Fiscal Year</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>FY 2008</td> <td>100</td> </tr> <tr> <td>FY 2009</td> <td>100</td> </tr> <tr> <td>FY 2010</td> <td>100</td> </tr> <tr> <td>FY 2011</td> <td>100</td> </tr> <tr> <td>FY 2012</td> <td>100</td> </tr> </tbody> </table>	Fiscal Year	Percentage	FY 2008	100	FY 2009	100	FY 2010	100	FY 2011	100	FY 2012	100
Fiscal Year	Percentage												
FY 2008	100												
FY 2009	100												
FY 2010	100												
FY 2011	100												
FY 2012	100												
Source	Date of report delivery, as reported by EC and ER.												
Measure	<table border="1" style="width: 100%;"> <tr> <td style="width: 50%;">                     FY 2012                      (1c) Based on Commissioners' feedback, especially on report quality, and fully addressing Commission customers' requests, take action in areas needing improvement.                 </td> <td style="width: 50%;">                     FY 2013                      (1c) Based on Commissioners' feedback, especially on report quality and fully addressing Commission customers' requests, take action in areas needing improvement.                 </td> </tr> </table>	FY 2012 (1c) Based on Commissioners' feedback, especially on report quality, and fully addressing Commission customers' requests, take action in areas needing improvement.	FY 2013 (1c) Based on Commissioners' feedback, especially on report quality and fully addressing Commission customers' requests, take action in areas needing improvement.										
FY 2012 (1c) Based on Commissioners' feedback, especially on report quality, and fully addressing Commission customers' requests, take action in areas needing improvement.	FY 2013 (1c) Based on Commissioners' feedback, especially on report quality and fully addressing Commission customers' requests, take action in areas needing improvement.												
Targets	<table border="1" style="width: 100%;"> <tr> <td style="width: 50%;">                     FY 2012                      Action taken.                 </td> <td style="width: 50%;">                     FY 2013                      Action taken.                 </td> </tr> </table>	FY 2012 Action taken.	FY 2013 Action taken.										
FY 2012 Action taken.	FY 2013 Action taken.												
Results	FY 2012: Target met. The target was to seek and address Commission feedback on investigations, which staff did on every instance of receiving feedback. FY 2011: Developed baseline for feedback.												
Source	Actions taken in 2012 and 2013, as reported by EC.												

The Commission strives to deliver all requested products in a timely way so that policymakers have the requisite analysis and information to assist in sound policy formulation. In FY 2012, the Commission met the target. However, several events suggest the need to consider whether longer delivery times for some reports may be helpful in ensuring error-free, high quality products. In one instance, *Business Jet Aircraft Industry: Structure and Factors Affecting Competitiveness*, several errata were required and in another, the requestor extended the requested delivery date to accommodate internal Commission review. In response to these events, new internal Commission review procedures are under development, even though this target was fully met.

## Expanding Research Capabilities

Performance Goal 2 assists the Commission in expanding and refining research capabilities, tools, and methods to enable it to respond quickly, efficiently, and effectively to requests for analysis and information about new issues and areas related to trade and competitiveness. The Commission regularly evaluates its research priorities and annually confirms or revises targets in light of policymakers' priorities and the availability of new methods and tools. This goal and its targets provide information about progress in the development and dissemination of critical knowledge and skills, which are core components for mission accomplishment.

Commission research is disseminated in several venues, including presentations at professional conferences and in published papers. These activities help develop staff knowledge and skills by providing feedback on research methods and helping to identify and refine research topics. In FY 2012, the Commission issued 121 staff-initiated publications, more than twice the target. However, for FY 2013, the Commission will focus on evaluating the degree to which research skills and capabilities have been developed and will discontinue this quantitative measure.

It is important for the Commission to accurately identify priority areas in which to develop new knowledge. This prepares the Commission to efficiently and effectively respond to requests from its congressional and executive branch customers and to petitions filed by U.S. industries. In FY 2012, the Commission documented the process whereby research initiatives are considered and prioritized. Ideas are generated through feedback and interaction with a multitude of external entities, as well as input from Commissioners. The development of this schematic provided information that will encourage more deliberate outreach and continued refinement of research priorities in FY 2013. The Commission also will continue to track and document how research in emerging areas can increase the efficiency and effectiveness of the Commission's response to statutory requests. For example, during FY 2012, prior staff research initiatives enabled a quick analytical ramp-up in new AD/CVD product areas (e.g., solar panels, wind turbines).

Anticipating future requests, the Commission identified eight priority research areas for FY 2012 (2c); targets relating to developing research tools or publications were met in five of these areas. Significant progress contributed to high demand for staff expertise (presentations and publications) related to research in FDI, global supply chains, NTMs, regulation and competitiveness, and "green" technologies and services. Because data and analysis are lacking in these new areas, USITC research supports both the Commission's own statutory work and research initiatives in the international trade community.

In three areas, research was incomplete at the end of FY 2012. Integration of NAICS-based data into the USAGE model, an important upgrade to one research tool, was not completed in FY 2012 due to resource constraints, but will be finished during FY 2013. Also, emerging market research focused on India will continue into FY 2013 and country database construction will continue. This provides a foundation for more specific research in FY 2013 on topics related to emerging markets and behind-the-border measures affecting trade.

There was little progress in linking trade and FDI to labor, despite significant research and data collection in both FDI and labor. Staff was shifted from work in this area to work on high priority requests that required

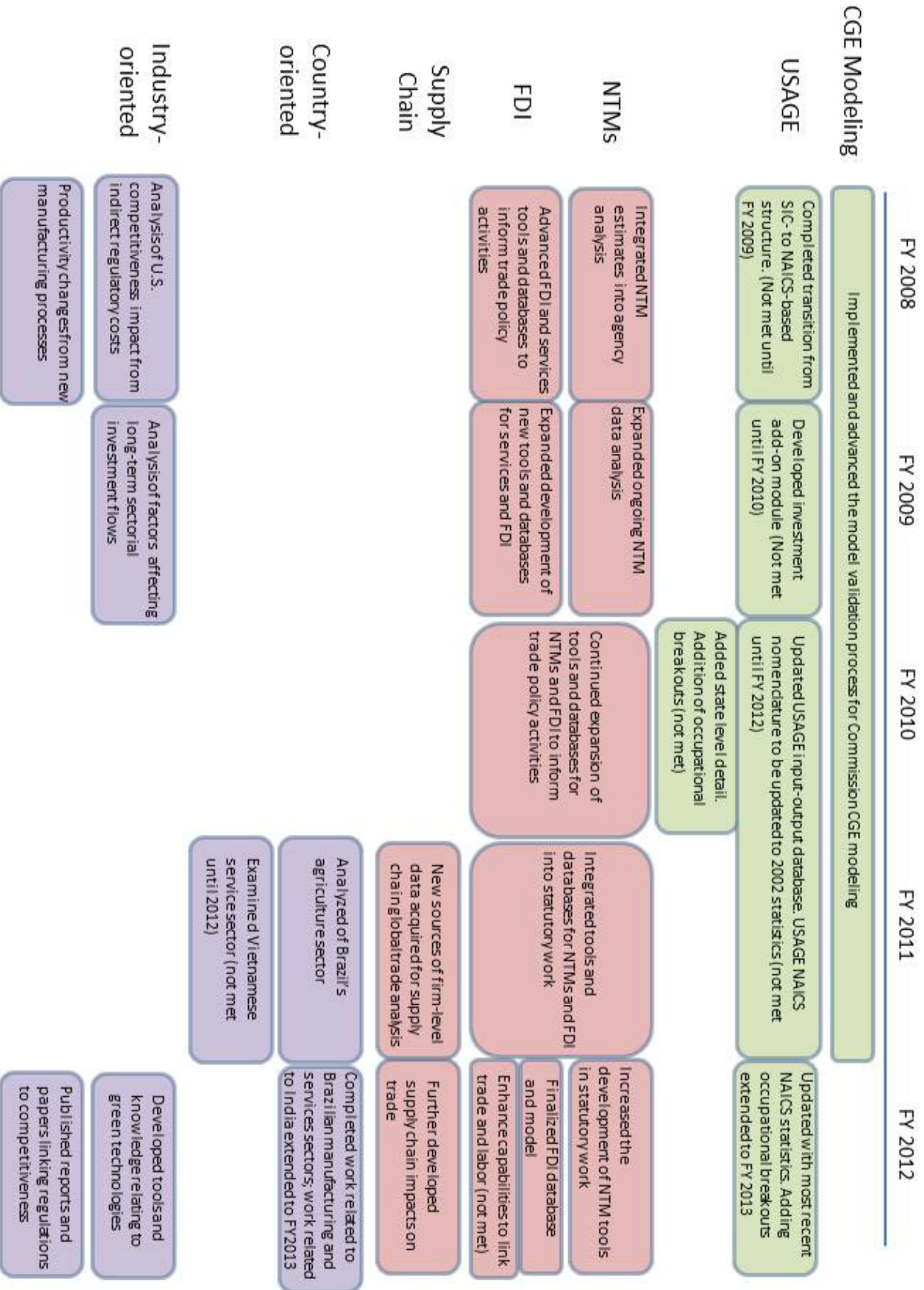


collection of primary data—data that are unique and extremely useful to the Commission’s customers but which curtailed these research efforts.

Performance Goal 2: Expand the Commission’s capacity to anticipate and address new issues and areas for industry and economic analysis.																							
Measure	FY 2012 (a) Produce 60 staff-initiated articles, working papers, research notes, Executive Briefings on Trade, and presentations at professional meetings/conferences, as resources and mandatory work permit.	FY 2013 N/A																					
Targets	FY 2012 60 issuances.	FY 2013 N/A																					
Results	<p style="text-align: center;"><b>Staff-initiated publication issuances</b></p> <table border="1"> <caption>Staff-initiated publication issuances (FY 2007-FY 2012)</caption> <thead> <tr> <th>Fiscal Year</th> <th>Staff-initiated issuances</th> <th>Target</th> </tr> </thead> <tbody> <tr> <td>FY 2007</td> <td>85</td> <td>60</td> </tr> <tr> <td>FY 2008</td> <td>95</td> <td>60</td> </tr> <tr> <td>FY 2009</td> <td>100</td> <td>60</td> </tr> <tr> <td>FY 2010</td> <td>95</td> <td>60</td> </tr> <tr> <td>FY 2011</td> <td>100</td> <td>60</td> </tr> <tr> <td>FY 2012</td> <td>120</td> <td>60</td> </tr> </tbody> </table>		Fiscal Year	Staff-initiated issuances	Target	FY 2007	85	60	FY 2008	95	60	FY 2009	100	60	FY 2010	95	60	FY 2011	100	60	FY 2012	120	60
Fiscal Year	Staff-initiated issuances	Target																					
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FY 2009	100	60																					
FY 2010	95	60																					
FY 2011	100	60																					
FY 2012	120	60																					
Source	Staff publications reported by EC and IND.																						
Measure	FY 2012 (b) Continue to enhance the Commission’s capacity to efficiently respond to, and anticipate, new areas of analysis or data needs for internal and external customers.	FY 2013 (b) Continue to enhance the Commission’s capacity to efficiently respond to, and anticipate, new areas of analysis or data needs for internal and external customers.																					

<b>Performance Goal 2:</b> Expand the Commission’s capacity to anticipate and address new issues and areas for industry and economic analysis.— (cont’d)		
<b>Targets</b>	<p>FY 2012</p> <ul style="list-style-type: none"> <li>(i) Assess process/results for proactive identification of research areas, considering feedback from Commissioners and external customers.</li> <li>(ii) Illustrate/assess research efforts to efficiently respond, with feedback from Commissioners and external customers.</li> </ul>	<p>FY 2013</p> <ul style="list-style-type: none"> <li>(i) Continue refinement of staff research priorities, incorporating input from internal and external customers and external stakeholders.</li> <li>(ii) Demonstrate the contribution of staff research to Commission responses to customer requests.</li> </ul>
<b>Results</b>	<p>FY 2012: Target met. Documented the decision process on how staff and management decide on worthwhile research areas and issues. Includes feed forward and feedback loops from internal and external customers.</p> <p>FY 2011: Target met. Discussed research initiatives and received feedback from our internal customers, especially the Commission.</p>	
<b>Source</b>	<p>Assessment from discussion with customers and Commissioners reported by EC.</p>	
<b>Measure</b>	<p>FY 2012</p> <p>(c) Expand economic modeling and analytical capabilities.</p>	<p>FY 2013</p> <p>(c) Improve economic and analytical tools and skills in the areas listed in the targets.</p>
<b>Targets</b>	<p>FY 2012</p> <ul style="list-style-type: none"> <li>(i) Finalize FDI database and model;</li> <li>(ii) Increase development of NTM tools and information, including trade facilitation into statutory work;</li> <li>(iii) Update the USAGE model for labor occupation breakouts using most recent NAICS-based statistics;</li> <li>(iv) Develop new supply chain and firm level data and information to further understand global trade patterns and effects on international competitiveness;</li> <li>(v) Continue research initiatives on India and Brazil, especially manufacturing and services sectors;</li> <li>(vi) Enhance analytical capabilities with respect to linkages of trade and FDI to labor;</li> <li>(vii) Develop research initiatives focused on links between competitiveness and regulation; and</li> <li>(viii) Develop knowledge and tools related to green technologies and services</li> </ul>	<p>FY 2013</p> <ul style="list-style-type: none"> <li>(i) Global modeling in areas such as FDI and launching the USAGE 2.0 model with annual snapshots of U.S. economic activity.</li> <li>(ii) Environmental issues in trade, such as environmental services and renewable energy services;</li> <li>(iii) Emerging markets, such as India, Brazil, China, and Mexico;</li> <li>(iv) Supply chains, such as extending analysis to new industries, organizational structures and locations; and</li> <li>(v) Behind-the-border measures and cross-industry issues, such IPR protection and NTMs.</li> </ul>
<b>Results</b>	<p>See figure 3.3.</p>	
<b>Source</b>	<p>Information on initiatives reported by EC and IND.</p>	

Figure 3.3: Industry and Economic Analysis research initiatives



Source: Initiatives implemented as reported by EC.

## Improving Transparency and Access to Information

The measure for the third performance goal monitors user satisfaction with the Commission’s industry and economic analysis web pages. Data from an online survey helps determine if the Commission’s website effectively presents its work, as well as guiding efforts to improve the experience of those visiting the site. All visitors to the site have an opportunity to respond to the survey. After two years of improvement, the overall rating for the Industry and Economic Analysis web pages decreased slightly during this performance year relative to the previous year. This reversal in the trend meant that the target was not met, although the long-term trend for this measure is still positive.

The measure for this performance goal has been reconsidered for FY 2013 to focus it more clearly on the intent of the performance goal. The survey does not allow identification of responses from the Commission’s statutory customers, so a new measure has been developed. Website user satisfaction will continue to be monitored and efforts made to improve user experiences for all components of the agency’s website. However, it will not be a measure for this goal. Rather, the Commission will emphasize improvements in direct communication with the customers defined by statute as our primary customers. This measure is better aligned with the performance goal, the strategic goal for Industry and Economic Analysis activities, and the mission of the Agency.

<b>Performance Goal 3:</b> Improve the Commission’s communications with its customers to ensure that they understand the Agency’s capabilities and are able to benefit from its expertise.													
<b>Measure</b>	<table border="1"> <tr> <td>FY 2012</td> <td>FY 2013</td> </tr> <tr> <td>Achieve improvement over FY 2011 level of satisfaction reported by users of the Commission’s industry and economic analysis web pages.</td> <td>Regular outreach meetings with Commission’s statutory customers lead to requests for investigations and technical assistance or new statutory requirements.</td> </tr> </table>	FY 2012	FY 2013	Achieve improvement over FY 2011 level of satisfaction reported by users of the Commission’s industry and economic analysis web pages.	Regular outreach meetings with Commission’s statutory customers lead to requests for investigations and technical assistance or new statutory requirements.								
FY 2012	FY 2013												
Achieve improvement over FY 2011 level of satisfaction reported by users of the Commission’s industry and economic analysis web pages.	Regular outreach meetings with Commission’s statutory customers lead to requests for investigations and technical assistance or new statutory requirements.												
<b>Targets</b>	<table border="1"> <tr> <td>FY 2012</td> <td>FY 2013</td> </tr> <tr> <td>1-point improvement.</td> <td>Requests received.</td> </tr> </table>	FY 2012	FY 2013	1-point improvement.	Requests received.								
FY 2012	FY 2013												
1-point improvement.	Requests received.												
<b>Results</b>	<p>Satisfaction rating of industry and economic analysis web pages</p> <table border="1"> <caption>Satisfaction Index Data</caption> <thead> <tr> <th>Fiscal Year</th> <th>Satisfaction Index</th> </tr> </thead> <tbody> <tr> <td>FY 2008</td> <td>65</td> </tr> <tr> <td>FY 2009</td> <td>61</td> </tr> <tr> <td>FY 2010</td> <td>63</td> </tr> <tr> <td>FY 2011</td> <td>69</td> </tr> <tr> <td>FY 2012</td> <td>67</td> </tr> </tbody> </table> <p>Target: 1-point improvement from previous year</p>	Fiscal Year	Satisfaction Index	FY 2008	65	FY 2009	61	FY 2010	63	FY 2011	69	FY 2012	67
Fiscal Year	Satisfaction Index												
FY 2008	65												
FY 2009	61												
FY 2010	63												
FY 2011	69												
FY 2012	67												
<b>Source</b>	ForeSee results.												

# TARIFF AND TRADE INFORMATION SERVICES

## Overview

The Commission’s strategic goal for Tariff and Trade Information Services is to:

*Improve the availability of and access to high-quality and up-to-date tariff and international trade information and technical expertise to support the executive and legislative branches, the broader trade community, and the public.*

Tariff and Trade Information Services covers a variety of functions, related to maintaining and publishing the Harmonized Tariff Schedule of the United States (HTS).<sup>13</sup> These functions include the following:

- providing Congress with factual reports (covering trade data, customs’ revenue loss estimates, and suggested changes in nomenclature) on permanent and temporary legislation affecting the HTS;
- participating in the U.S. delegation to the World Customs Organization (WCO) in Brussels, and reflecting changes to the international Harmonized System (maintained by the WCO) in the HTS;<sup>14</sup>
- chairing the interagency Committee for Statistical Annotation of the Tariff Schedules (“484(f) Committee”);<sup>15</sup> and
- providing technical assistance to the public and online services to aid the public’s interpretation and use of the HTS.

Maintaining and providing an accurate and up-to-date tariff schedule is of critical importance to the U.S. government and the private sector. As noted by the House Committee on Ways and Means, “the HTS is not published as a part of the statutes and regulations of the United States but is instead subsumed in a document produced and updated regularly by the ITC, entitled ‘Harmonized Tariff Schedule of the United States: Annotated for Statistical Reporting Purposes.’ This arrangement is reflective of the diverse textual sources of the HTS, as well as to the need to amend it frequently.”<sup>16</sup>

The HTS is the basis for U.S. Customs and Border Protection’s (CBP) classification of goods for the purpose of assessing duties. Other government agencies rely on it to identify imports in order to enforce regulations. Using the Commission’s HTS, importers file import entry documents and U.S. Census Bureau’s compiles monthly and annual trade statistics.

In addition, the Commission provides online trade services, such as the USITC DataWeb, a valuable tool used both by Commission staff and by external customers to organize U.S. import and export data for analysis, and the HTS tariff data base, which reflects not only normal (“column 1-general tariff rates”), but also various preferential rates applicable under free trade agreements (FTAs), the Generalized System of Preferences (GSP), and other preferential duty programs. Commission staff also maintains an online reference tool for searching the HTS that is popular with the public. Roughly 70 percent of the visits to the

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<sup>13</sup> Pursuant to the Omnibus Trade and Competitiveness Act of 1988, section 1207 (19 U.S.C. 3007).

<sup>14</sup> *Ibid.*, sections 1205 and 1206 (19 U.S.C 3005-3006).

<sup>15</sup> Pursuant to section 484(f) of the Tariff Act of 1930, as amended (19 U.S.C. 1484).

<sup>16</sup> *Overview and Compilation of U.S. Trade Statutes*, Comm. Print 111-6, Part I, 2-3 (2010). See also, 19 U.S.C. § 3001, et seq.

Commission website involve searches for tariff-related information via one of these services, including the official HTS.

Much of the workload in this area varies with the level of trade agreements activity by USTR. During FY 2012, three pending FTAs with Korea, Panama, and Colombia entered into force. The staff prepared the basic annual version of the HTS, as well as two revisions and a supplement. The Office of Tariff Affairs and Trade Agreements (TATA) assisted USTR in preparing the final versions of the implementing proclamations for those agreements. The Commission also assisted USTR with the annual review and actions relating to products covered by the GSP.

Another determinant of workload is legislative activity in the Congress. In FY 2012, the Commission prepared more than 1,300 bill reports. The reports covered requests to suspend or reduce tariffs on certain products. These reports were requested by the Congress, to analyze the tariff nomenclature, domestic production, revenue losses and other trade data. The Commission re-engineered its approval process and significantly increased the efficiency and production of the reports over prior years.

## Improving Transparency and Access to Information

Improving the utility of and access to tariff and trade information is an important goal for the Commission, as access to this information is critical for other government agencies and the trade community. The Commission has established Performance Goal 1 to ensure continued efforts to improve the utility, particularly the accuracy, of the information it provides and improve its dissemination. The performance targets established for this performance goal involve providing accurate and timely tariff and trade information and technical services to customers and the public. The Commission met all targets for transparency and access to information established for FY 2012.

<b>Performance Goal 1: Increase the utility and improve the dissemination of tariff and trade information services to customers.</b>		
	FY 2012	FY 2013
Measure	(a) Achieve increase over FY 2011 in usage of the HTS online search tool.	(a) Maintain accuracy of HTS information.
Targets	FY 2012  5% increase from FY 2011.	FY 2013  (i) 99% or greater accuracy of post-production substantive content (rates and nomenclature).  (ii) 97% or greater overall accuracy of post-production content.

**Performance Goal 1: Increase the utility and improve the dissemination of tariff and trade information services to customers.— (cont'd)**

Results		
Source	Usage rate reported by OCIO.	

Measure	FY 2012 (b) Improve over FY 2011 level of positive feedback from users of Commission tariff and trade webpages.	FY 2013 (b) Make continuous improvements to the Commission's web presence that lead to improvements in user satisfaction.
Targets	FY 2012 1-point improvement.	FY 2013 Overall satisfaction consistent with that for other government agencies.

Results		
Source	ForeSee results.	

<b>Performance Goal 1: Increase the utility and improve the dissemination of tariff and trade information services to customers.— (cont'd)</b>										
	FY 2012	FY 2013								
Measure	(c) Improve success rate of users' keyword searches on HTS Online Reference Tool.	(c) Improve success rate of users' keyword searches on HTS Online Reference Tool.								
Targets	FY 2012 70% of searches successful.	FY 2013 70% of searches successful.								
Results	<table border="1"> <caption>Successful keyword searches on HTS Online Reference Tool</caption> <thead> <tr> <th>Fiscal Year</th> <th>Percent</th> </tr> </thead> <tbody> <tr> <td>FY 2011</td> <td>~73%</td> </tr> <tr> <td>FY 2012</td> <td>~72%</td> </tr> <tr> <td>Target</td> <td>70%</td> </tr> </tbody> </table>		Fiscal Year	Percent	FY 2011	~73%	FY 2012	~72%	Target	70%
Fiscal Year	Percent									
FY 2011	~73%									
FY 2012	~72%									
Target	70%									
Source	Search success reported by CIO.									
	FY 2012	FY 2013								
Measure	(d) Minimize difference between CBP's HTS database and the Commission's online versions of HTS.	(d) Minimize difference between CBP's HTS database and the Commission's online versions of HTS.								
Targets	FY 2012 Less than 1% difference.	FY 2013 Less than 1% difference.								
Results	<p>FY 2012: Target met. 7 lines out of 10,711 eight-digit line items were different between the Automated Customs System (ACS) maintained by CBP and the HTS maintained by the Commission. The Commission coordinated with CBP to reconcile all differences.</p> <p>FY 2011: Target met. 141 lines out 10,449 eight-digit line items were different between the Automated Customs System (ACS) maintained by CBP and the HTS maintained by the Commission. The Commission coordinated with CBP to reconcile all differences.</p>									
Source	Database differences reported by TATA.									



As the Commission has improved its ability to track and develop data, the measures are becoming more reflective of the work performed. Two of the measures will change between FY 2012 and FY 2013, in order to provide better insight into use of the HTS and how to manage the workload.

Rather than focusing on the number of users of the online HTS, the Commission is focusing on the accuracy of updates to the official HTS and associated products (Measure A). The Commission began an assessment of its business processes related to maintenance of the HTS in FY 2012 and expects to undertake a complete rework of the IT system underlying the HTS and its business processes for updating, searching, and providing information to all users during FY 2013 and FY 2014. The Commission also revised Measure B to encompass feedback on all aspects of the USITC website. Since approximately 70 percent of website utilization is accounted for by the tariff and trade webpages, the Commission will focus on feedback regarding this area as it rolls out improvements generated by the new HTS system.

## **Improving Nomenclature and Related Services**

Providing timely, effective, and responsive nomenclature, trade data, and related technical services to Commission customers aids in their ability to accomplish their transactions or policy goals. Accurate information better enables customers to meet their goals and ensures that the Commission is viewed as a trusted resource. The Commission met all but one of its targets for this performance goal in FY 2012. The missed target concerned internal deadlines for producing reports on miscellaneous tariff bills. The target did not account for the substantial increase in the number of draft bills that were submitted for review in FY 2012 or the change in the timing of these submissions. The number of submissions was roughly double the level received in FY 2010. Moreover, unlike past years when draft legislative reports were submitted for review on a flow basis, the Commission received the drafts simultaneously. To accommodate the volume and timing of these submissions, the agency shifted staff resources to help with the analysis of the proposed legislation. It also redesigned the review process to reduce the overall time required for review. By taking these steps, the Commission met the external deadline that was established by Congressional staff.

Performance Goal 2: Provide timely, effective, and responsive nomenclature, trade data, and related technical services to customers.										
Measure	FY 2012 (a) Positive feedback on Commission responses to email requests concerning HTS.	FY 2013 (a) Positive feedback on Commission responses to email requests concerning HTS.								
Targets	FY 2012 95% or greater positive feedback.	FY 2013 95% or greater positive feedback.								
Results	<p style="text-align: center;">Positive feedback on Commission responses to HTS email requests</p> <table border="1"> <caption>Positive feedback on Commission responses to HTS email requests</caption> <thead> <tr> <th>Fiscal Year</th> <th>Percent</th> </tr> </thead> <tbody> <tr> <td>FY 2011</td> <td>99%</td> </tr> <tr> <td>FY 2012</td> <td>97%</td> </tr> <tr> <td>Target</td> <td>95%</td> </tr> </tbody> </table> <p style="text-align: center;">Note: FY 2011 target was to establish a baseline</p>		Fiscal Year	Percent	FY 2011	99%	FY 2012	97%	Target	95%
Fiscal Year	Percent									
FY 2011	99%									
FY 2012	97%									
Target	95%									
Source	Results reported by TATA.									
Measure	FY 2012 (b) Develop system to measure response time for emails received through the HTS on-line help system.	FY 2013 (b) 85% of emails received through the HTS on-line help system are responded to within 7 working days.								
Targets	FY 2012 80% response within deadline.	FY 2013 85% response within deadline.								
Results	<p>FY 2012: Target met. 97% response w/in 7 days.</p> <p>FY 2011: Target met. Established semi-automated tracking system.</p>									
Source	Response by deadline, as reported by TATA.									

<b>Performance Goal 2: Provide timely, effective, and responsive nomenclature, trade data, and related technical services to customers.— (cont'd)</b>		
Measure	FY 2012 (c) From the date when a batch of miscellaneous tariff bills is assigned internally, 80% of reports are transmitted to the Congress within 65 working days.	FY 2013 (c) From the date when a batch of miscellaneous tariff bills is assigned internally, 80% of reports are transmitted to the Congress within 65 working days.
Targets	FY 2012 80% of reports transmitted within deadline.	FY 2013 80% of reports transmitted within deadline.
Results	<p>FY 2012: Target not met. The 65 day internal timeframe was exceeded. Congressional staff requested 1395 reports on or about May 2 for delivery by September 1. 1325 reports delivered by September 1, 5 delivered after the deadline and the rest withdrawn.</p> <p>FY 2011: N/A. No legislative reports were processed in FY 2011 because no omnibus trade bill was introduced in Congress that required advice from the Commission.</p>	
Source	Actions completed within deadlines, as reported by TATA.	
Measure	FY 2012 (d) Facilitate interagency decision making.	FY 2013 N/A
Targets	FY 2012 484(f) Committee meeting agenda is prepared at least 3 weeks before a scheduled meeting and minutes are finalized before the effective date of changes.	FY 2013 N/A
Results	<p>FY 2012: Target met. Agenda circulated well within deadlines for meetings held in FY 2012.</p> <p>FY 2011: Target met. Agenda and minutes were within time frames.</p>	
Source	Agenda and minutes prepared, as reported by TATA.	
Measure	FY 2012 (e) Updated versions of the HTS posted to website within 2 working days of effective date.	FY 2013 (e) Updated HTS posted to website within 2 working days of effective date.
Targets	FY 2012 Posting in 2 working days.	FY 2013 Posting in 2 working days.

<b>Performance Goal 2: Provide timely, effective, and responsive nomenclature, trade data, and related technical services to customers.— (cont'd)</b>					
<b>Results</b>	FY 2012: Target met. All updates to the HTS were prepared and posted within 2 days of the effective date of the proclamation or other applicable legal instrument. FY 2011: Target met. 2011 HTS & revisions posted on or before effective date.				
<b>Source</b>	Posting within deadline, as reported by TATA.				
<b>Measure</b>	<table border="1"> <thead> <tr> <th>FY 2012</th> <th>FY 2013</th> </tr> </thead> <tbody> <tr> <td>(f) Promptly process requests to the 484(f) Committee and notify requesters of receipt and actions taken.</td> <td>(f) Promptly process requests to the 484(f) Committee and notify requesters of receipt and actions taken.</td> </tr> </tbody> </table>	FY 2012	FY 2013	(f) Promptly process requests to the 484(f) Committee and notify requesters of receipt and actions taken.	(f) Promptly process requests to the 484(f) Committee and notify requesters of receipt and actions taken.
FY 2012	FY 2013				
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<b>Targets</b>	<table border="1"> <thead> <tr> <th>FY 2012</th> <th>FY 2013</th> </tr> </thead> <tbody> <tr> <td>(i) Acknowledge request within 5 working days of receipt; (ii) Notify petitioners electronically of Committee decisions within 5 working days; and (iii) Notify petitioners in writing within 5 working days after implementation of statistical modifications of the HTS.</td> <td>(i) Acknowledge request within 5 working days of receipt; (ii) Notify petitioners electronically of Committee decisions within 5 working days; and (iii) Notify petitioners in writing within 5 working days after implementation of statistical modifications of the HTS.</td> </tr> </tbody> </table>	FY 2012	FY 2013	(i) Acknowledge request within 5 working days of receipt; (ii) Notify petitioners electronically of Committee decisions within 5 working days; and (iii) Notify petitioners in writing within 5 working days after implementation of statistical modifications of the HTS.	(i) Acknowledge request within 5 working days of receipt; (ii) Notify petitioners electronically of Committee decisions within 5 working days; and (iii) Notify petitioners in writing within 5 working days after implementation of statistical modifications of the HTS.
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<b>Results</b>	FY 2012: Target met. 18 petitions received during FY 2012 and all steps listed above were completed within the deadlines. FY 2011: Target partially met. By the end of the FY, all steps listed above were completed within the deadlines.				
<b>Source</b>	Actions taken within deadlines, as reported by TATA.				

For Performance Goal 2, summarized in the table above, four measures are used to track the quality and timeliness of the tariff nomenclature expertise that the Commission offers its stakeholders. The first two measures pertain to Commission responses to online inquiries from the public through the agency website’s “HTS help” function; in FY 2012, the number of such responses was about 3,200. While the Commission does not solicit or get feedback from customers on every response provided, the unsolicited feedback received has been almost unanimously positive. Two streams of email information are tracked, one from online Helpline functionality and the other from direct communications between the public and Commission staff.

The third performance measure for this performance goal pertains to Commission-approved, factual reports on miscellaneous tariff bills (MTBs) introduced in the Congress; such reports have been provided to the Congress at its request for several decades. The deadlines developed for performance reporting are aimed more at internal efficiency than at external requirements, as congressional activity and timetables tend to vary from one session to the next in this area. As noted above, Congress, in FY 2012, approached MTB

requests in a different manner than in the past. The bill requests came virtually all at once and the reports were due on a much shorter total time frame than in the past. Despite the challenges, the Commission approved virtually all of the bill reports within the deadline requested. They served as the basis for a discussion among the Administration (CBP, USTR and Commerce) the responsible congressional committees and Commission staff to develop into an omnibus trade bill during FY 2013.

The Commission dropped the fourth measure because the final measure ensures that sufficient management controls are in place and that information to further improve processes is available.

# TRADE POLICY SUPPORT

## Overview

The Commission's strategic goal for Trade Policy Support is to:

*Provide enhanced support to the development of well-informed U.S. international trade policy by quickly responding to executive and legislative branch policymakers' needs for technical support, data, and analysis.*

The Commission provides trade policymakers with technical expertise, information, and objective analysis on international trade and competitiveness issues in order to support the development of well-informed U.S. international trade policy. The support provided is entirely driven by customer requests. For FY 2012 and 2013, the Commission has set performance goals to enhance the scope of such support, and ensure both timely responses and customer satisfaction with delivered products. The Commission met three of the six targets and made progress on the remaining three.

The Commission's ability to respond quickly to requests for trade policy support from both the legislative and executive branches both complements and draws upon work in all other strategic operations and is primarily performed pursuant to 19 U.S.C. § 1332. This support encompasses information and analysis on current issues related to trade and competitiveness, technical advice on draft legislation, informal briefings and meetings, temporary reassignments (details) of personnel to other government units, support of litigation activities before World Trade Organization bodies, and assistance to trade delegations and negotiating teams. To implement legislation on trade policy decisions that modify the HTS, the Commission also drafts Presidential proclamations, memoranda, executive orders, and final decisions issued by various agencies. With the exception of the Administrative Law Judges, all programmatic offices at the Commission contribute, to varying degrees, to these efforts.

A particular challenge is gathering formal feedback from our customers to inform actions that could be taken to improve performance. For example, biannual surveys tailored to completed work generated no formal feedback. In FY 2013, new approaches to soliciting such feedback will be explored. A second challenge arises from the reliance on outside entities for action in order to meet certain targets. This has been addressed by adopting longer time frames for certain goals to allow sufficient time for interim milestones to be met.

## Improving the Timeliness and Effectiveness of Trade Policy Support

Providing enhanced real-time, efficient, and effective technical information and analysis to support the agency's primary customers supports the Commission's efforts to make progress toward its strategic goal. The Commission has established four measures for this goal. The measures focus on improving or monitoring the responsiveness of the Commission to customer requests.

<b>Performance Goal 1:</b> Provide enhanced real-time, efficient, and effective technical information and analysis to support organizations involved in trade policy formulation.																																										
	FY 2012	FY 2013																																								
Measure	(a) Respond to 100 requests from the USTR and members of Congress and their staffs, for technical assistance and analysis on tariff, industry, or trade issues.	(a) Respond to requests from the USTR and members of Congress and their staffs, for technical assistance and analysis on tariff, industry, or trade issues.																																								
Targets	FY 2012 100 responses.	FY 2013 Responses delivered.																																								
Results	<p style="text-align: center;"><b>Commission Responses to Technical Assistance Requests</b></p> <table border="1"> <caption>Commission Responses to Technical Assistance Requests (2006-2012)</caption> <thead> <tr> <th>Fiscal Year</th> <th>Responses to USTR</th> <th>Responses to Congress</th> <th>Total Responses</th> <th>Target</th> </tr> </thead> <tbody> <tr> <td>2006</td> <td>~80</td> <td>~15</td> <td>~95</td> <td>~55</td> </tr> <tr> <td>2007</td> <td>~90</td> <td>~30</td> <td>~120</td> <td>~70</td> </tr> <tr> <td>2008</td> <td>~105</td> <td>~25</td> <td>~130</td> <td>~80</td> </tr> <tr> <td>2009</td> <td>~80</td> <td>~15</td> <td>~95</td> <td>~85</td> </tr> <tr> <td>2010</td> <td>~60</td> <td>~40</td> <td>~100</td> <td>~90</td> </tr> <tr> <td>2011</td> <td>~95</td> <td>~55</td> <td>~150</td> <td>~100</td> </tr> <tr> <td>2012</td> <td>~140</td> <td>~50</td> <td>~190</td> <td>~105</td> </tr> </tbody> </table> <p>Note: The metric was changed in FY 2012 from issue areas addressed to responses, a more objective measure, but one that created a break in the series.</p>		Fiscal Year	Responses to USTR	Responses to Congress	Total Responses	Target	2006	~80	~15	~95	~55	2007	~90	~30	~120	~70	2008	~105	~25	~130	~80	2009	~80	~15	~95	~85	2010	~60	~40	~100	~90	2011	~95	~55	~150	~100	2012	~140	~50	~190	~105
Fiscal Year	Responses to USTR	Responses to Congress	Total Responses	Target																																						
2006	~80	~15	~95	~55																																						
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2011	~95	~55	~150	~100																																						
2012	~140	~50	~190	~105																																						
Source	Number of issues supported reported by IND.																																									
	FY 2012	FY 2013																																								
Measure	(b) Establish capability for and procedures to enhance electronic delivery of classified products.	(b) Establish capability for and procedures to enhance electronic delivery of classified products.																																								
Targets	FY 2012 Capability established.	FY 2013 Capability established.																																								
Results	FY 2012: Progress made, but capability not yet established. FY 2011: Capability not established.																																									
Source	ER and OCIO.																																									

<b>Performance Goal 1: Provide enhanced real-time, efficient, and effective technical information and analysis to support organizations involved in trade policy formulation.— (cont'd)</b>		
<b>Measure</b>	FY 2012 (c) Revise internal guidelines and database design, if necessary, to improve real-time tracking of requests.	FY 2013 (c) Efficiently utilize database to track technical assistance requests.
<b>Targets</b>	FY 2012 Guidelines and database design revised.	FY 2013 All Offices providing technical assistance use the database appropriately.
<b>Results</b>	FY 2012: Database tested and initial revisions implemented. Data entry procedures tested. Identified necessary steps before full rollout is implemented (target not met). FY 2011: Progress made toward developing a software-based tracking system, although development and tests were not completed (target partially met).	
<b>Source</b>	Actions reported by IND.	
<b>Measure</b>	FY 2012 (d) Issue 95% of responses to Congressional letters on time, in accordance with newly-documented procedures.	FY 2013 (d) Issue 96% of responses to Congressional letters on time, in accordance with documented procedures.
<b>Targets</b>	FY 2012 95% timely.	FY 2013 96% timely.
<b>Results</b>	FY 2012: Target exceeded. 100% on time. FY 2011: Target exceeded. 100% on time.	
<b>Source</b>	Responses tracked and reported by ER and GC.	

Technical assistance is provided primarily to help inform the requestors’ decision-making when they are considering potential or proposed legislation or policy options. Such information may result in requestors developing, supporting, opposing, or revising their stance on an issue. The two measures that deal directly with the products delivered to our customers were both met. The targets that were not met address better internal Commission recordkeeping and simplifying the delivery process for a limited number of products.

This goal aids performance improvement efforts by focusing attention on the agency’s responsiveness to the requests of customers and implementing internal controls related to the handling of requests and responses.

The Commission’s strengths for this goal related to the responsiveness measures; it responded to over 100 requests for technical assistance products and responded to congressional correspondence referencing ongoing investigations in a timely fashion. For the latter, the Commission had perfect performance, with



100 percent of responses to congressional letters being sent within the set timeline. For technical assistance requests, (measure 5.1.a) the Commission exceeded the target by a significant margin. This metric was changed to the number of requests in FY 2012 from the number of different issues addressed, which had been used for several years. The prior measure required a subjective determination of which requests represented unique issues and which requests overlapped issues addressed in earlier requests.

The first measure for Performance Goal 1 is being changed again for FY 2013. This change reflects that the Commission has little direct influence over the number of requests. Although the steadily increasing number of requests indicates that customers find agency products useful, since they return for additional assistance, the Commission does not solicit such work. Delivering responses that are timely and useful are the best indications of high performance.

Delays in various approvals from outside agencies resulted in the target not being met for developing the capacity to deliver classified materials electronically. This target has been rolled over to the next performance period. The probability of meeting this target in FY 2013 has been enhanced for two reasons. Several of the required approvals were acquired near the end of FY 2012. In addition to reaching these milestones, acquisition of this capability has become important to other Commission activities, enhancing the likelihood of completion during FY 2013.

Significant progress was made on the target concerning real time tracking of technical assistance requests. During FY 2012, database testing led to procedural and design adjustments. During FY 2013, the focus will shift to full use of the database.

## Improving Communication with Statutory Customers

The second performance goal focuses on ensuring that the Commission’s statutory customers are aware of the kinds of assistance they can seek and that they are able to benefit fully from the Commission’s expertise. To this end, the Commission collects customer feedback on the usefulness of assistance that has been provided. Although anecdotal feedback from such customers has been positive, the Commission would prefer to receive more formal feedback to ensure expectations were being met on a regular basis.

<b>Performance Goal 2:</b> Ensure that the Commission’s customers are fully informed of the agency’s capabilities and are able to benefit from its expertise.		
	FY 2012	FY 2013
Measure	(a) Focus outreach activities regarding Commission capabilities on new Congressional oversight committee staff.	(a) Focus outreach activities regarding Commission capabilities on new Congressional oversight committee staff.
Targets	FY 2012 Contacts made with new staff.	FY 2013 Contacts made with new staff.
Results	FY 2012: Developed 15 new contacts, including new oversight Committee contacts. FY 2011: Developed 12 new contacts, including new oversight Committee staff.	

<b>Performance Goal 2:</b> Ensure that the Commission’s customers are fully informed of the agency’s capabilities and are able to benefit from its expertise.— (cont’d)		
Source	Number of congressional contacts reported by IND and ER.	
Measure	FY 2012  (b) Seek semiannual feedback from USTR’s designated Commission liaison regarding satisfaction with technical assistance products.	FY 2013  (b) Seek feedback from USTR regarding satisfaction with technical assistance products.
Targets	FY 2012 Feedback evaluated to improve or revise methods as necessary.	FY 2013 Feedback sought.
Results	FY 2012: Feedback solicited, though not received, from USTR. FY 2011: Feedback received from USTR.	
Source	Feedback and actions taken reported by IND and ER.	

The Commission reaches out to its principal customers—USTR, the Senate Finance Committee, and the House Ways and Means Committee—to ensure that new staff at those organizations are aware of the types of technical support the Commission can provide. As the Commission develops new capabilities, agency staff also communicates with customers to inform them of these enhancements.

In FY 2012 the Commission met its target to conduct outreach with its oversight committees. The measure has been expanded in FY 2013 to include legislative assistants covering trade for members of these committees. This approach should broaden awareness of the Commission’s capabilities among congressional staff and enhance the Commission’s ability to provide more effective technical support to these customers.

Although the Commission sought feedback from USTR through semi-annual surveys, it did not receive responses during FY 2012. Thus, it was not able to reach its target. During FY 2013, the Commission will explore alternative methods for soliciting feedback. Feedback from customers regarding their satisfaction with Commission products provides information that assists ongoing quality improvement efforts.

# COMMISSION MANAGEMENT GOALS

## Overview

Improving performance of support functions is integral to mission accomplishment. The Commission amended its Strategic Plan to set management goals for FY 2012 in order to address management challenges in the areas of Human Resources, Acquisitions, Financial Management, and Information Technology. The primary focus for this first year was to establish baseline measures against which performance could be assessed in future years. The goals and FY 2012 performance are described below.

## Improving Hiring and Professional Development Practices

The USITC seeks to employ and retain the most highly skilled professional staff possible in order to achieve its mission. To ensure the best candidates are selected in a timely manner and that its current workforce maintains the skills to best align with its mission, the Commission has enhanced efforts to monitor and improve performance with regard to its hiring and professional development practices. Specifically, the Commission is focusing on increasing efficiency in the processing of hiring actions, improving customer satisfaction with hiring practices and professional development and maintaining complete and accurate hiring records.

The Commission identified four measures and set FY 2012 targets to establish baselines for these measures against which future progress in each measure would be evaluated.

<b>Management Goal:</b> Improve effectiveness and efficiency of hiring and professional development practices.		
	FY 2012	FY 2013
Measure	(a) Promptly deliver certified candidate lists to selecting officials after vacancy announcement closing.	(a) Improve timeliness in delivery of certified candidate lists to selecting officials from the receipt of completed hiring request.
Targets	FY 2012 Establish baseline for delivering certified candidate lists to selecting officials.	FY 2013 Improve timeliness in delivering lists by 5% over FY 2012.
Results	FY 2012: Target not met during FY 2012, but substantial progress was made toward establishing the baseline. In early October 2012, a baseline of 59.5 days for delivering certified candidate lists to selecting officials (from the receipt of completed hiring request) was established.	
Source	Hiring timeline data reported by HR.	

<b>Management Goal:</b> Improve effectiveness and efficiency of hiring and professional development practices. — (cont'd)		
<b>Measure</b>	FY 2012 (b) Establish baseline of relevant stakeholder satisfaction with hiring practices.	FY 2013 (b) Improve upon FY 2012 baseline of relevant stakeholder satisfaction with hiring practices.
<b>Targets</b>	FY 2012 Select areas for improvement based on level of stakeholder satisfaction reflected in survey results.	FY 2013 5% increase in stakeholder satisfaction over FY 2012 level.
<b>Results</b>	FY 2012: Target met. Baseline established as 53% customer service satisfaction with hiring practices.	
<b>Source</b>	OPM Annual Viewpoint Survey and annual stakeholder survey results reported by HR.	
<b>Measure</b>	FY 2012 (c) Establish baseline for accuracy of records regarding hiring procedures, based on internal review.	FY 2013 (c) Improve accuracy of records regarding hiring procedures, based on internal review.
<b>Targets</b>	FY 2012 Establish baseline for retrieval and accuracy of required records for all hires in FY 2012.	FY 2013 Improve on FY 2012 baseline by 5%.
<b>Results</b>	FY 2012: Target met. Baseline established as 88% of all files tested found to be complete and accurate.	
<b>Source</b>	Case file data reported by HR.	
<b>Measure</b>	FY 2012 (d) Assess satisfaction of relevant stakeholders with opportunities offered to employees for professional development.	FY 2013 (d) Improve satisfaction with professional development opportunities.
<b>Targets</b>	FY 2012 Assess stakeholders' level of satisfaction with employee development opportunities based on survey results.	FY 2013 5% increase in stakeholder satisfaction over FY 2012 level.

<b>Management Goal:</b> Improve effectiveness and efficiency of hiring and professional development practices. — (cont'd)	
<b>Results</b>	FY 2012: Target met. Baseline customer satisfaction level established as 31% positive customer service rating for professional development services.
<b>Source</b>	Annual stakeholder survey results reported by HR.

Improving the effectiveness of the hiring process and moving toward achieving hiring times that fit within the Office of Personnel Management’s End-to-End Hiring Initiative will contribute to agency efforts to employ and retain qualified staff. The Commission believes that monitoring and improving processing efficiency for hiring actions will aid in this effort by helping to prevent loss of high quality candidates due to unnecessary delays in hiring. Hiring actions will be monitored from the receipt of a completed hiring package from a selecting official to the delivery of a certified candidate list to the selecting official. Improving the completeness and accuracy of record-keeping practices will also serve to decrease the likelihood of delays and errors in processing hiring actions, which could prevent the agency from hiring the most desirable candidates.

Assessing and improving overall satisfaction with hiring and professional development practices among Commission managers and staff also provides the agency with ways to improve its efforts to recruit and retain staff with mission-critical skills and to improve employee morale. Internal feedback provides valuable information regarding the effectiveness of current practices and procedures and their impact on the quality of the candidate pools and the quality of professional development guidance and opportunities.

The Commission will strive during FY 2013 to improve upon each baseline established above by at least five percent. The Office of Human Resources will work closely with its customers and stakeholders over the next fiscal year to achieve this level of improvement.

The baselines established during FY 2012 indicate that there are both strengths and challenges in the Commission’s human capital management. A particular challenge the Commission faces is to improve customer satisfaction with professional development, which was reported at only 31 percent positive by Commission employees. The USITC recognizes this is an important area for both morale and long term employee retention. To the extent financial and staff resources are available, efforts will be made to improve satisfaction levels in the coming fiscal years. An area of relative strength is record keeping, which indicated that almost 90 percent of FY 2012 hiring records were complete and accurate when tested. This indicates a commitment to accuracy and an attention to detail on the part of the Commission’s human resources staff and supports the overall efficiency of hiring processes.

## Effective and Efficient Acquisitions

The Commission seeks to provide timely, accurate, and complete acquisition data to the agency’s internal customers as one means of achieving its strategic goals and supporting its mission. The Commission established three measures and targets related to improving the effectiveness and efficiency of acquisitions and all focus on the timeliness, quality, and accuracy of acquisition information.

<b>Management Goal:</b> Improve effectiveness and efficiency of acquisitions.		
	FY 2012	FY 2013
Measure	(a) Identify and establish baseline for timeliness of key elements in procurement process.	(a) Improve timeliness of key elements in procurement process.
Targets	FY 2012 Identify and establish baseline for timely accomplishment of key elements	FY 2013 Improve timeliness in accomplishing key elements by 5% over baseline.
Results	FY 2012: Target met. Baseline of 90 percent of procurement actions were processed within date ranges established on the USITC's procurement Action Lead Time (PALT) policy.	
Source	Timeliness of accomplishment of key elements, reported by PR.	
	FY 2012	FY 2013
Measure	(b) Establish baseline of stakeholder satisfaction with acquisition process.	(b) Improve stakeholder satisfaction with acquisition process.
Targets	FY 2012 Assess satisfaction of relevant stakeholders with acquisition process based on survey results	FY 2013 5% increase in stakeholder satisfaction over FY 2012 level.
Results	FY 2012: Target met. Established a baseline of 62 percent user satisfaction.	
Source	Annual stakeholder results reported by PR.	
	FY 2012	FY 2013
Measure	(c) Establish baseline of contract files that are complete and accurate based on internal review.	(c) Ensure completeness and accuracy of contract files.
Targets	FY 2012 Establish baseline for completeness and accuracy of contract files.	FY 2013 Complete review of all new files.
Results	FY 2012: Target met. Baseline of 90 established.	
Source	Percentage of records of PR, FIN, CORs, cost center managers, that are complete and accurate as reported by PR.	

The Commission met all targets associated with the three measures set forth for this management goal. The first target was met through the establishment of the Procurement Action Lead Time (PALT) document. The PALT document was developed by analyzing the lead times of other agencies with a similar acquisition profile to the Commission and a "Procurement Log" which tracked the dates of receipt of requisition and award of contract for various completed acquisition actions. The PALT baselines, combined with internal agency feedback, will result in more efficient and effective acquisition workflows going forward.

Customer satisfaction was gauged during FY 2012 to establish a baseline for internal customer satisfaction with the acquisition process. This second measure will be enhanced during FY 2013 through the use of automated web-based surveys which will make workflow modification easier to document, plan, and implement.

The final measure ensures the accuracy and completeness of the Commission’s acquisition files. During FY 2012, the Commission tested all contract files for completeness and accuracy and all errors were corrected and noted in the respective files. Not only did this quality control review result in more accurate contract files, the accounting system was updated to reflect correct contract data. During FY 2013, the Commission will conduct quarterly tests of a subset of open contract files to determine the level of completeness and accuracy of files and take corrective measures as necessary to ensure all system data is correct.

Much has been accomplished during FY 2012 in the area of acquisition processes and record keeping. Based on the results of the three FY 2012 measures, the Commission will move forward in FY 2013 by providing ongoing training for Contracting Officer’s Representatives (CORs) and town hall meetings to educate Commission staff on the Federal Acquisition Regulation and will expand the contract file review to include testing the financial accounting system to achieve the dual purpose of accurate acquisition data and accurate financial reporting.

## Improving Financial Management Controls

The Commission’s goal to improve financial management controls is intended to ensure that the underlying financial processes fully support accurate and timely financial reporting within the Commission, to the Office of Management and Budget and Congressional committees. The Commission’s annual measures and targets aim to quantify the progress toward this goal by measuring the quality and timeliness of internal financial reports and to document and test financial controls to ensure accurate reporting. It does so in order to develop new internal reporting methods and to continually refine financial workflows and subsequently internal controls.

<b>Management Goal:</b> Improve financial management controls.		
	FY 2012	FY 2013
<b>Measure</b>	(a) Provide timely and accurate periodic reports to agency management and provide requested information to independent auditors in a timely manner.	(a) Provide recurring financial system reports to Office Directors and Cost Center Managers throughout the Agency that are useful in managing operations.

<b>Management Goal:</b> Improve financial management controls.— (cont'd)		
<b>Targets</b>	FY 2012 Establish baseline for submission of timely reports and information.	FY 2013 Enhance reports based on Director and Manager feedback.
<b>Results</b>	FY 2012: Target met. 100 percent of reports were issued to auditors when requested. Baseline established of 14 days to provide internal management reports after monthly financial accounts are closed.	
<b>Source</b>	Timeliness of reports of Procurement, Finance, COTRs, and CCMs; Oracle reports; and Prism reports; as reported by OCFO.	
<b>Measure</b>	FY 2012 (b) Eliminate or reduce all incidences of improper payments.	FY 2013 (b) Work toward mitigating material weaknesses and significant deficiencies in the annual audit.
<b>Targets</b>	FY 2012 Establish baseline for incidence of improper payments.	FY 2013 Mitigate material weaknesses by 30%.
<b>Results</b>	FY 2012: Target met. Baseline of 95 percent confidence level of elimination of improper payment established.	
<b>Source</b>	OCFO	
<b>Measure</b>	FY 2012 (c) Establish baseline for compliance of current financial management activities with internal controls.	FY 2013 (c) Continue to assess the level of compliance and document the internal control structure.
<b>Targets</b>	FY 2012 Assess level of compliance of current financial management activities with internal controls.	FY 2013 Identify and document internal controls.
<b>Results</b>	FY 2012: Target met. Compliance program established, documented and assessed to ensure complete and accurate accounting system with open contracts.	
<b>Source</b>	Level of compliance reflected in records of FIN, PR, CORs, cost center managers; USITC Accounting Manual; Oracle and Prism reports; reported by OCFO.	

The Commission met all targets associated with the three measures set forth for this management goal. The Commission documented the timeliness of internal financial reports provided to senior managers. This baseline, combined with information derived from internal interviews, will provide the desired financial data across the Commission.



The second measure pertains to improper payments made to third-party vendors. OCFO now participates in the U.S. Treasury program “Do Not Pay.” The program supports the Commission in its efforts to reduce the number of improper payments by allowing the Commission’s service provider to check various databases before making payments in order to identify ineligible recipients and prevent fraud or errors from being made. In addition, the Commission made zero improper payments during the fiscal year as reported by its external auditors. The Commission will continue to monitor improper payments.

The final measure addresses the mapping and documentation of the Commission’s financial processes and identification of financial internal controls. The FY 2013 measure supports the achievement of accurate and timely financial reporting to internal senior management and to outside parties.

Much has been accomplished during FY 2012 regarding financial management transformation. The Commission is hiring staff with the requisite skills to address financial management and internal control issues that have in the past precluded the Commission from achieving full accountability over its financial resources. The Commission has also begun mapping financial processes in an effort to ensure financial transactions are processed properly and on a consistent basis. Furthermore, the Commission is working closely with its financial system service provider to develop systemic processes as well as reports in order to provide more reliable, timely, and consistent financial information for senior decision-makers throughout the Commission.

## Using Information Technology to Support Productivity

The Commission’s management goal 4 is intended to ensure that IT resources support the mission of the Agency. The Office of the Chief Information Officer’s six measures and targets for FY 2012 quantify how the OCIO supports this goal. The Commission met all of its targets in FY 2012 and established baselines where none existed.

<b>Management Goal:</b> Use information technology to support productivity gains.		
	FY 2012	FY 2013
<b>Measure</b>	(a) In moving to new Networkx telecommunications contracts, achieve 100% disconnect from existing telecommunications contracts.	(a) N/A
<b>Targets</b>	FY 2012  100%	FY 2013  N/A
<b>Results</b>	FY 2012: Target met. 100% of existing telecommunications service contracts terminated.	
<b>Source</b>	Percentage of disconnects reported by OCIO.	

<b>Management Goal:</b> Use information technology to support productivity gains.— (cont'd)		
<b>Measure</b>	FY 2012 (b) Establish baseline score on annual NARA self-assessment.	FY 2013 (b) Effectively manage Commission records.
<b>Targets</b>	FY 2012 80%	FY 2013 Achieve 80% score on annual NARA self-assessment.
<b>Results</b>	FY 2012: Target met. Baseline score on the annual NARA self-assessment set at 80%.	
<b>Source</b>	Score on annual NARA self-assessment reported by OCIO.	
<b>Measure</b>	FY 2012 (c) Establish baseline score on Enterprise Vulnerability Index.	FY 2013 (c) Ensure network security.
<b>Targets</b>	FY 2012 5.0	FY 2013 Achieve score of less than 5.0 on Enterprise Vulnerability Index.
<b>Results</b>	FY 2012: Target met. Baseline Enterprise Vulnerability Index score set at 5.0. The EVI is an indexed value that relates the current overall attack surface of the USITC network and attached systems. The higher the number, the larger the attack surface.	
<b>Source</b>	Enterprise Vulnerability Index score reported by OCIO.	
<b>Measure</b>	FY 2012 (d) Establish baseline for efficiency of IT data center.	FY 2013 (d) N/A
<b>Targets</b>	FY 2012 Establish baseline.	FY 2013 N/A
<b>Results</b>	FY 2012: Target met. Baseline efficiency of the IT data center was established at 9.0, which captures increases in energy efficiency through the movement of physical server to virtual server technologies. OCIO has evaluated this measure and determined it does not accurately capture efficiency gains. This measure has been replaced for 2013. Additional detail is in text below.	

<b>Management Goal:</b> Use information technology to support productivity gains.— (cont'd)		
<b>Source</b>	Number of CPUs (physical and virtual) supported per kilowatt reported by OCIO.	
<b>Measure</b>	FY 2012 (e) Ensure that all IT systems have a valid authority to operate.	FY 2013 (e) N/A
<b>Targets</b>	FY 2012 100%	FY 2013 N/A
<b>Results</b>	FY 2012: Target met. One hundred percent of the Agency's IT systems had a valid authority to operate in 2012.	
<b>Source</b>	Percentage of IT systems with a valid authority to operate reported by OCIO.	
<b>Measure</b>	FY 2012 (f) Establish baseline for network and system availability for all major USITC platforms.	FY 2013 (f) Ensure system availability for all major USITC platforms.
<b>Targets</b>	FY 2012 Set baseline of 95%.	FY 2013 95%.
<b>Results</b>	FY 2012: Target met. Baseline set at 95% network and system availability for all major USITC platforms (CNIF, DataWeb, and EDIS).	
<b>Source</b>	Level of network and system availability reported by OCIO.	

By meeting all of its IT targets and establishing baselines, the Commission effectively employed IT resources to support the mission of the USITC. First, in moving to the new GSA Networkx contracts, the Commission needed to achieve 100 percent disconnect from specific telecommunications contracts. The Commission achieved this measure this year by terminating 100 percent of those telecommunications service contracts prior to December 31, 2012. This is both a government-wide IT goal and a one-time measure and will not be repeated in FY 2013. Second, the Commission measures the effectiveness of its records management program through the government-wide process NARA has established to report on records management. This program is NARA's self-assessment of the OCIO's records management process. The Commission set a baseline of 80 percent and met that baseline in FY 2012. In FY 2013, the Commission will strive to match or improve its performance in this area. Third, in order to ensure USITC IT network security and measure relative risk to Commission IT assets, the OCIO calculates the Enterprise Vulnerability Index (EVI). It is calculated using the formula:  $\log \sum SN$ , where S is the vulnerability score

using the Common Vulnerability Scoring System (CVSS) and N is the number of machines affected by that vulnerability. In this system 0 is a perfect score, with higher numbers reflecting a larger attack surface. The Commission set a target of less than 5.0 on the EVI and met this in FY 2012 with scores of 3.58, 3.11, 4.28, and 4.2 for the four respective quarters during FY 2012.

Fourth is a measure of the power efficiency of the IT data center. This measure is intended to capture increases in energy efficiency through the movement of physical server to virtual server technologies. While the Commission was able to establish a baseline in FY 2012, the OCIO determined that the measure may not accurately reflect the efficiencies gained when moving from a physical to virtual environment depending on when the power measurements are taken in the reporting period. Furthermore, although efficiencies result in less power usage, there is no direct cost savings to the Commission nor are these gains significant when compared to other aspects of Commission power usage (e.g. lights, HVAC). In FY 2013, the Commission has replaced this measure with one that establishes initial operating capability of the Agency's Disaster Recovery data center. This capability is both a federal requirement and one which supports continuity of operations should the Commission's primary data center become degraded. The fifth measure demonstrates whether the OCIO has obtained an authority to operate for all major IT systems. This IT security measure ensures that the security controls for each system have been reviewed and validated. This target was achieved in FY 2012 for all four major IT systems. Because an Authority to Operate must only be renewed every three years, this measure will be dropped in fiscal year 2013. Finally, the sixth measure provides a view into IT system availability. It is essential that all major IT systems be available in order for both the public and staff to conduct business. The Commission set a baseline of 95 percent availability and the systems were available more than 99 percent of the time in each quarter of FY 2012.

In addition to the information provided above regarding measures for FY 2013, the Commission intends to completely redesign the way it maintains the Harmonized Tariff Schedule (HTS). As a result, in 2013 the OCIO, in cooperation with the Commission's operating offices, intends to: 1) develop an HTS database to enable storage of content currently managed in WordPerfect files, and 2) develop interfaces to enable data maintenance and printable files. The target of this measure will be to satisfy the requirements of stakeholders as well as addressing Open Government Initiatives related to data. In addition, the OCIO will be focusing on improving stakeholders' assessments regarding the contribution of IT resources to mission accomplishment.

## **APPENDIX A**

# **U.S. International Trade Commission Staff Offices**

## Office of the Administrative Law Judges

The Commission's administrative law judges (ALJs) hold hearings and make initial determinations in investigations under section 337 of the Tariff Act of 1930. If after receipt of a petition, the Commission decides to institute an investigation, the matter is referred to this office. The Chief ALJ assigns each case on a rotational basis to one of the Commission's six ALJs. After a discovery process, a formal evidentiary hearing is held in accordance with the Administrative Procedure Act (APA) (5 U.S.C. 551 et seq.). The ALJ considers the evidentiary record and the arguments of the parties and makes an initial determination (ID), including findings of fact and conclusions of law. The ID becomes the Commission's determination unless the Commission determines to review it or send the matter back to the ALJ for further consideration. Temporary relief may be granted in certain cases.

## Office of the General Counsel

The General Counsel (GC) serves as the Commission's chief legal advisor. The GC and the staff attorneys provide legal advice and support to the Commissioners and staff on investigations and research studies, represent the Commission in court and before dispute resolution panels and administrative tribunals, and provide assistance and advice on general administrative matters, including personnel, labor relations, and contract issues.

## Office of Operations

The Commission's core of investigative, industry, economic, nomenclature, and technical expertise is found within the Office of Operations (OP). The following six offices are under the supervision of the Director:

- The Office of Economics (EC) conducts investigations primarily under section 332 of the Tariff Act of 1930, section 131 of the Trade Act of 1974, and section 2104 of the Trade Act of 2002. EC also provides expert economic analysis for import injury investigations, as well as other industry and economic analysis products.
- The Office of Industries (IND) conducts investigations primarily under section 332 of the Tariff Act of 1930, section 131 of the Trade Act of 1974, and section 2104 of the Trade Act of 2002. The Office of Industries maintains technical expertise related to the performance and global competitiveness of U.S. industries and the impact of international trade on those industries for these studies and import injury investigations.
- The Office of Investigations (INV) conducts import injury investigations to fulfill the Commission's investigative mandates, including those specified in the Tariff Act of 1930, the Trade Act of 1974, the North American Free Trade Agreement (NAFTA) Implementation Act of 1993, and the Uruguay Round Agreements Act (URAA) of 1994.
- The Office of Tariff Affairs and Trade Agreements (TATA) implements the Commission's responsibilities with respect to the HTS and the International Harmonized System.
- The Office of Unfair Import Investigations (OUII) participates in adjudicatory investigations, usually involving patent and trademark infringement, conducted under section 337 of the Tariff Act

of 1930, both during the pre-institution phase and as a party with no commercial interest in the outcome.

- The Office of Analysis and Research Services (OARS) provides research and investigative support. It comprises the library, editorial, knowledge resources, and statistical services.

## Office of External Relations

The Office of External Relations (ER) develops and maintains liaison between the Commission and its diverse external customers and is the point of contact with USTR and other executive branch agencies, Congress, foreign governments, international organizations, the public, and the media. The Commission's Trade Remedy Assistance Office, located in ER, provides information about the benefits and remedies available under U.S. trade laws and assists small businesses seeking relief under those laws.

## Office of the Chief Information Officer

The Office of the Chief Information Officer (OCIO) provides information technology leadership, a comprehensive services and applications support portfolio, and a sound technology infrastructure to the Commission and its customers. Through its staff and subsidiary offices, the OCIO seeks to promote, deliver, and manage the secure and efficient application of technology to the Commission's business activities. Component offices include Information Technology Services (ITS) and Enterprise Security Management.

## Office of the Chief Financial Officer

The Office of the Chief Financial Officer (OCFO) compiles the Commission's annual budget, prepares the appropriation and authorization requests, and closely monitors budget execution. The OCFO also provides support for acquisitions and is responsible for financial reporting. In addition, the OCFO manages the Commission's internal control program in accordance with FFMIA guidance. Component offices include the Office of Budget, Office of Procurement, and the Office of Finance.

## Office of Administrative Services

The Office of Administrative Services (OAS), provides human resource services—including collective bargaining with union representatives—information and document management; management of work life issues; facilities management services, and is responsible for all Commission physical and personnel security matters. Component offices include Human Resources, Security and Support Services, and the Office of the Secretary.

## Office of Inspector General

The Office of Inspector General (OIG) provides audit, evaluation, inspection, and investigative support services covering all Commission programs and strategic operations. The mission of the OIG is to promote and preserve the effectiveness, efficiency, and integrity of the Commission. The OIG activities are planned and conducted based on requirements of laws and regulations, requests from management officials, and allegations received from Commission personnel and other sources.

## **Office of Equal Employment Opportunity**

The Office of Equal Employment Opportunity (OEEO) administers the Commission's affirmative action program. The Director advises the Chairman, the Commission, and USITC managers on all EEO issues; manages and coordinates all EEO activities in accordance with relevant EEO laws and EEO Commission regulations; evaluates the sufficiency of the Agency's EEO programs and recommends improvements or corrections, including remedial and disciplinary action; encourages and promotes diversity outreach; and monitors recruitment activities to assure fairness in agency hiring practices.



## **APPENDIX B**

# **Industry and Economic Analysis Reports Issued in FY 2012**

## **FY 2012 Industry and Economic Analysis Publications**

*Business Jet Aircraft Industry: Structure and Factors Affecting Competitiveness*, USITC Investigation 332-526, April 2012

*Textile and Apparel Imports from China: Statistical Reports, Annual Compilation 2011*, USITC Investigation 332-501, May 2012

*Brazil: Competitive Factors in Brazil Affecting U.S. and Brazilian Agricultural Sales in Selected Third Country Markets*, USITC Investigation 332-524, May 2012

*Advice Concerning Possible Modifications to the U.S. Generalized System of Preferences, 2011 Review of Additions and Competitive Need Limitation Waivers*, USITC Investigation 332-529, May 2012

*Trade Facilitation in the East African Community: Recent Developments and Potential Benefits*, USITC Investigation 332-530, May 2012

*The Year in Trade 2011: Operation of the Trade Agreements Program (63rd Report)*, USITC Publication 4336, July 2012

*Earned Import Allowance Program: Evaluation of the Effectiveness of the Program for Certain Apparel from the Dominican Republic; Third Annual Review*, USITC Publication 4340, July 2012

*Recent Trends in U.S. Services Trade: 2012 Annual Report*, USITC Investigation 332-345, July 2012

*Andean Trade Preference Act: Impact on U.S. Industries and Consumers and on Drug Crop Eradication and Crop Substitution, Fifteenth Report, 2011*, Investigation No. 332-352, September 2012



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