United States International Trade Commission

Budget Justification

Executive Summary

Fiscal Year 2023

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Budget Highlights

For FY 2023, the Commission requests $122.4 million to carry out our mission and functions. This funding reflects a modest inflationary increase over our FY 2022 request and will enable us to maintain the investments we plan to make during FY 2022. Most significantly, as previously discussed for FY 2022, we must hire more staff and make the necessary and critical IT investments that have been long deferred, commensurate with our record high caseload. What was originally perceived to be a temporary surge in caseload has proven to be a structural change in its volume and complexity. Initially, we managed the surge by realigning funds from non-personnel areas, notably IT infrastructure and system maintenance and development, to increase staff. However, that is no longer a viable option and we must adjust the baseline for staffing levels to manage existing and projected workload.

Our request reflects the resources required to maintain staffing levels in the Office of Operations and the Office of the General Counsel, in particular, as they are heavily impacted by the continued high investigative caseloads, specifically antidumping and countervailing duty (AD/CVD), unfair import, and industry and economic analysis investigations. Further, caseload has surpassed the workload assumptions that we used to build our current staffing plan several years ago.

The request also provides resources to continue making IT investments to improve the security of, alleviate the stress on, and maximize our IT infrastructure. The request will also ensure the availability and accessibility of our public-facing IT systems. FY 2023 IT investments will include replacing end-of-life servers, continued work towards implementing a zero trust architecture as required by new Executive Orders, expansion of our telecommunications network to improve continuity of operations, enhanced remote access controls, and improving the user work experience. Our request also aims to sustain capabilities in both research and economic analysis so we can better investigate proposed changes in trade policy, as well as important developments in U.S. competitiveness.

Through the process of navigating pandemic-related disruptions to our operations and managing elevated workloads, the Commission also discovered better tools and strategies for efficiently and effectively carrying out its mission. However, many of these improvements require upfront investments to implement, including time spent training staff. For example, virtual hearings during the pandemic resulted in larger numbers of participants/attendees and allowed individuals that may not have been able to participate or attend the opportunity to do so. Continuation of virtual or consideration of hybrid hearings is dependent on adequate funding for necessary IT equipment, software, and ongoing support.

Additional Workload Drivers

In addition to the continued heavy workload in AD/CVD and unfair import investigations described below, we have been devoting more resources to conducting or supporting other investigations and Administration initiatives. For example, the number and increased complexity of factfinding investigations and trade policy support requests have required more research and resources. In addition, we continue to witness increased activity under sections 201–204 of the Trade Act of 1974. In December 2020, the Commission completed the investigation concerning whether to extend the safeguard measure on large residential washers. The Commission also initiated in October 2020 and completed in March 2021 the safeguard investigation into fresh, chilled, or frozen blueberries. The Commission received two petitions requesting an extension of the safeguard measure on solar products in August 2021 and initiated a combined investigation covering both. The Commission will also conduct end-of-relief assessment reports when actions taken by the President expire for large residential washers and solar products and may also be required to conduct another monitoring investigation if the President extends the measure on solar products. Further, monitoring activities for two perishable and seasonal fruits and vegetables industries may drive additional global safeguard petitions from these industries. Though these types of investigations are relatively infrequent, they are typically more resource intensive, often requiring more data collection, remedy recommendations, and follow-on related investigations.

In addition, we have had to amend the Harmonized Tariff Schedule of the United States (HTS) in recent years an unprecedented number of times to incorporate the changes brought about by Administration initiatives. In a typical year, two or three HTS revisions are made; in FYs 2018 and 2019, 15 and 20 revisions were made, respectively. In FY 2020, the number of revisions increased to 28. In FY 2021, the Commission continued to complete revisions to the HTS at an elevated level: in addition to a preliminary Basic Edition and the Basic Edition, the agency issued 18 revisions to implement multiple tariff changes.

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

The Commission provides a venue for private sector firms and other qualifying entities to bring allegations of certain unfair or injurious trade practices involving imports before an independent, objective, and expert quasi-judicial governmental body. Our trade remedy investigations caseload continues to grow in volume and complexity. In FY 2021, the number of AD/CVD investigations remained at historically elevated levels. The caseload is expected to stay relatively high in FYs 2022 and 2023, though driven primarily by the structural and more predictable increase in review investigations relative to original investigations. In FY 2021, new unfair import matters under section 337 exceeded the peaks in previous fiscal years, and we expect caseload to remain high in FYs 2022 and 2023.

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

In FY 2021, 11 petitions were filed under Title VII of the Tariff Act of 1930. Though below the FY 2020 record-breaking level, filings were consistent with historic levels and reflect the regular cyclical activity associated with AD/CVD investigations over time. The record number of petitions filed in FY 2020, however, resulted in a record number of final-phase investigations. The Commission completed 25 final-phase investigations in FY 2021 – five (or 25%) more than the prior fiscal year; the average number of completed final-phase investigations for fiscal years 2011 to 2020 was 10. In FY 2021, approximately half of the petitions involved imports from multiple countries. Domestic industries filing petitions in FY 2021 produced a range of products, including various steel and metal products, chemicals, processed agricultural products, and final consumer products. While a substantial number of these investigations covered downstream products, including final and near-final consumer products (such as mobile access equipment, freight rail coupler systems, and walk-behind snow throwers), a large share covered chemical and agricultural products (such as PTFE resin, R-125, urea ammonium nitrate, raw honey, and organic soybean meal). Some investigations were particularly notable because of the size and/or complexity of the U.S. industry and market, including thermal paper, and mobile access equipment. In addition to new investigations, we instituted 26 reviews of existing AD/CVD orders in FY 2021 and anticipate instituting 40 and 35 in FYs 2022 and 2023, respectively. Overall, the Commission instituted 61 investigations and completed 67 investigations in FY 2021. While less than FY 2020, the changes reflect the normal cyclical activity of cases and are consistent with recent elevated levels (the FY 2011-to-

FY 2020 average for institutions and completions was 52 and 50, respectively). We anticipate continued high caseload levels, driven primarily by returning review investigations; in FY 2022, we anticipate instituting 73 proceedings and completing 65. In FY 2023, we anticipate instituting 72 proceedings and completing 75.

As mentioned above, in FY 2021 the Commission completed the extension investigation concerning the safeguard measure on large residential washers. The Commission also initiated and completed a global safeguard investigation into fresh, chilled, or frozen blueberries, which covered several parts of the production process and included a large number of U.S. producers, U.S. importers, and foreign producers. The Commission also received two petitions requesting extensions of the safeguard measure on solar products in August 2021. The Commission subsequently instituted a safeguard extension investigation to determine whether the measure continues to be necessary to prevent or remedy serious injury and whether there is evidence that the domestic industry is making a positive adjustment to import competition. The Commission will also conduct end-of-relief assessment reports when actions taken by the President expire for large residential washers and solar products, two measures that are based on investigations that were initiated in 2017. The Commission may also be required to conduct another monitoring investigation if the President extends the measure on solar products. In addition, monitoring activities for two perishable and seasonal fruits and vegetables industries (strawberries and bell peppers) may drive additional global safeguard petitions from these industries. As noted above, though these types of investigations are relatively infrequent, they are typically more resource intensive, requiring more data collection and remedy recommendations.

During FY 2021, we continued our efforts to increase the transparency of our proceedings and reduce the burden on participating parties. In FY 2021, we issued an external survey about virtual staff conferences and hearings to better understand the benefits and challenges of virtual staff conferences and hearings for external parties. In FY 2022, we plan to apply information obtained from the survey to inform ongoing initiatives related to virtual/hybrid hearings efforts. In FY 2021, we made substantial gains in our ongoing efforts to develop a data system for more complete, timely, and accessible reporting of investigative information (the Investigations Database System, or IDS), including Title VII information. In FY 2022, we will continue to expand and advance these systems and their functionality.

Unfair Import Investigations Caseload Remains High

In FY 2021, our section 337 workload reached the highest level of activity to date, and due to the increase in the number of new investigations in FY 2021, we anticipate that there will be a high number of active cases throughout FY 2022 and into FY 2023.

Parties continue to find that our proceedings offer an attractive forum for expeditiously resolving disputes involving unfair acts in the importation of goods, including imports that allegedly infringe U.S. intellectual property (IP) rights. Our proceedings provide for timely resolution of matters that may also involve more drawn-out litigation in the U.S. district courts. In addition, section 337 authorizes unique relief in the form of exclusion of goods at the border. IP-intensive industries account for a large number of high-wage jobs in U.S. industries that generate significant exports.

The range of technologies covered in these investigations is quite broad, encompassing, among other things, various electronic devices, pharmaceutical and medical devices, transportation-related products, and other consumer goods such as artificial eyelashes, stud finders, shingled solar modules, home security and HVAC systems, swabs used in medical testing, and decorative wood grain paper for use in furniture. Although section 337 investigations typically involve patent infringement allegations, they can also involve allegations of other unfair acts such as trademark infringement, trade dress infringement, false advertising, and trade secret misappropriation, which is an area of heightened concern for U.S. companies and Congress.

Work is ongoing to ensure that section 337 investigations are completed expeditiously, in line with congressional intent. We continue to build and develop the necessary staff and resources to conduct evidentiary hearings in section 337 investigations and focus on making the process more efficient and less costly for both litigants and the agency. Our efforts include improvements to courtroom space, acquisition of a FedRAMP-certified video-teleconference platform for virtual evidentiary hearings, our rules of procedure, procedural pilot programs, and substantial investments over the past few years in our Electronic Document Information System (EDIS). Further, in FY 2021, we implemented electronic service of public documents through EDIS, and plan to move to confidential service in FY 2022. We acquired BOX, a FedRAMP-certified cloud content management system, to enhance the secure transfer, use, and storage of the voluminous electronic documents produced in our investigations. We also started the transition of our investigation database, 337Info, which provides detailed information to the public about investigations instituted since October 1, 2008, to IDS, which will enhance features provided in 337Info. These efforts necessitate an adequate level of funding.

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

Analysis and Information on Tariffs, Trade, and Competitiveness

Our agency supplies the executive branch and Congress with objective analyses of significant trade issues. We provide industry and economic research, tariff and trade information, and trade policy support through investigations and other expert advice. Given our unique economic and trade expertise, we offer cutting-edge data and insights that support the development of sound U.S. trade policy. The caseload for industry and economic analysis was at a high level in FY 2021, and the number of requests will likely remain at similar levels in FY 2022 and FY 2023.

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

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

Our staff also develops new methods to produce high-quality economic analysis. By way of example, assessing the economic impact of proposed trade policies changes is considerably more challenging than examining the effects of tariff changes. During FY 2021, we applied new modeling approaches to assess the effects of provisions in U.S. trade agreements. We continue to develop new capabilities by collaborating with other organizations, including academic institutions. During FYs 2022 and 2023, we plan to focus our research on areas such as improving our ability to model the distributional effects of trade and trade policy on diverse groups within the United States, assessing industry competitiveness, and analyzing supply chains.

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

- The performance of U.S. industries in critical supply chains
- How trade and investment barriers, rules of origin, and standards affect U.S. firms, workers, and consumers
- The distributional impacts of trade and trade policy on diverse groups within the United States
- The promises—and pitfalls—of new technologies, industries, and business models
- The effects of trade policies on the environment

- Economic analysis of U.S. free trade agreements, both proposed and completed, as well as technical support to policy makers during trade negotiations

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

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

Our work to maintain and update the HTS, as discussed above, also impacts other U.S. agencies, private parties, and other stakeholders. U.S. Customs and Border Protection (CBP) relies upon the HTS for collecting tariff revenues on imported goods. Private firms use the HTS to learn the duties that they will pay on imported goods. U.S. exporters and importers depend on our work in the World Customs Organization to ensure that global tariff product classification ("nomenclature") is up to date and takes into account industry interests and changing patterns of trade. Compared to two or three revisions in a typical year, in FY 2021, we prepared and published 18 revisions of the HTS, as well a preliminary Basic Edition and the annual Basic Edition for January 1, 2021. These revisions were made to incorporate tariff rate changes implemented during the year due to World Trade Organization disputes on large civil aircraft, certain actions under the African Growth and Opportunity Act, tariff increases on steel and aluminum for national security, safeguard actions on large residential washers, and Generalized System of Preferences modifications, as well as to address policy changes with respect to China on thousands of products.

The HTS provides the foundation for the U.S. trade data maintained by the U.S. Census Bureau (Census), and it enables CBP to manage its trade and enforcement activities. We ensure that the HTS is both accurate and up to date so that it meets the demands for trade and tariff information from Census, CBP, U.S. exporters and importers, the Administration, and policy makers in Congress. Due to the size and openness of the U.S. economy and the volume of U.S. trade, the HTS is the most heavily used tariff schedule in the world. Its more than 19,000 10-digit statistical subheadings must be updated and maintained throughout the year to reflect changes from implementing trade agreements and from other congressional and administration actions. Redesigned in FY 2013, this system was developed as a data management system in FY 2014, and it was made available to the public at the beginning of the fourth quarter of FY 2015. In FY 2018, we completed the redesign of DataWeb, the trade data system that we use for our own work and provide to the public. We deployed a beta version of the redesigned DataWeb in FY 2018 and we released the final version in the first quarter of FY 2019.

As these developments show, we have taken advantage of new technologies to make tariff and trade information far more accessible and usable, both for our own analyses and for many essential public uses. Maintaining and building on these improvements requires resources. In particular, we plan to reengineer the HTS Data Management System in FY 2022. Our appropriation request includes funding for that specific purpose. The skills needed to support many of these tariff and trade information services (*e.g.*, HTS maintenance and classification) are unique and can take years to develop. Moreover, many of the agency experts that we rely on for tariff and trade information services are approaching retirement eligibility, so we expect human capital planning and recruitment to be a priority over the next few years.

Trade Policy Support Remains of Interest but Could Face Resource Constraints

We draw heavily on staff in all agency program areas to respond to requests for trade policy support from Congress and the Administration. In FY 2021, we supplied rapid responses on a broad array of issues and topics, ranging from litigation support in international tribunals to assessments of specific industry and economic issues, including issues relevant to the response to the COVID-19 pandemic. Our staff often provides support to negotiators working on proposed trade agreements or adjustments to existing agreements. We supply information, expertise, and software-based tools to support U.S. negotiating teams.

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

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

Efforts to Improve Diversity, Equity, and Inclusion

In FY 2021, we significantly enhanced our diversity, equity, and inclusion (DEI) program. We reinvigorated our DEI efforts through a collaborative overhaul of our DEI charter and a newly formed DEI Council made up of both an advisory body of senior leaders as well as a diverse group of employee volunteers. The DEI efforts have been primarily led by the Office of Human Resources and included a week-long DEI program with speakers from Capitol Hill, workshops, and discussions; regular activities and a weekly newsletter highlighting the significance of each special emphasis and heritage month; additional agency-wide DEI-related trainings; an agency-wide mentoring program and coaching for supervisors; sponsorship for an employee to attend a leadership program with a focus on DEI; monthly employee-led discussion groups; dedicated intranet resources, including a substantive SharePoint page; and a broadening of diverse hiring efforts to include our first Diversity Recruitment Fair. Additional efforts in the area of accessibility and inclusion have included training and application of 508 accessibility measures both through our reporting and at hearings. Specifically, all published factfinding investigations, staff working papers, *Journal of International Commerce and Economics* articles, and administrative reports were 508 compliant. Additionally, Commission reports for Title VII investigations included 508-compliant formatting, text, and tables.

To effectively support and advance these efforts in FY 2022, we must maintain our commitment to staff with expert knowledge in these areas including DEI, hiring and staffing, retention, and training. We expect to continue to utilize the DEI Council as a consultative body to help assess program diversity, equity, and inclusion across the agency and recommend areas for further examination and review. Additionally, all managers and supervisors will receive training as part of our commitment to increasing inclusivity, as part of their mandatory supervisory training. We will maintain the continuity of programming mentioned previously, including DEI Week, celebration of special emphasis and heritage months, mentoring and coaching, and continuing our commitment to diverse recruiting. Over the next two years, the Commission will continue its efforts to increase the accessibility of the written materials it provides the public by achieving full 508 compliance for its public documents. This supports its broader efforts to provide clear and accurate work products and customer service.

Efforts to Strengthen Information Technology Security

We continue to demonstrate our commitment to improving our IT security by complying with and implementing mandates and best business practices pertaining to IT security in a timely way. We continue to expand and improve our access controls, as well as bolster our core architecture using more secure devices. We continue to enhance our continuous monitoring abilities as they relate not only directly to IT security, but also to operations and maintenance activities. We monitor, track, and report on all activities via our security operations center. We have improved our ability to ensure a secure IT infrastructure by implementing encryption at rest and in transit and multi-factor authentication. We continue to work towards a full zero trust architecture.

In FY 2023, strengthening our IT security posture by investing in new technologies, processes, and capabilities will continue to be a priority. Planned improvements include the following:

- More stringent remote access controls to further secure our infrastructure
- Continued maturing of our incident response and intrusion detection processes
- Improved flexibility and security in application development utilizing containerization
- Enhancements to the Commission's continuous monitoring program
- Continued streamlining of vulnerability management processes
- Coordinating with the U.S. Department of Homeland Security to conduct external assessments and scans of agency systems
- Continuing independent assessments of our security and privacy controls systems to ensure that security controls are applied correctly, operating as intended, and producing the desired outcome for security requirements

Remote and Cloud Computing

We plan to further advance our continuity and telework capabilities in FY 2023 by maintaining a secure and modernized remote access solution, adding additional service provider capacity and redundancy, and ensuring improved levels of availability and accessibility by expanding our hybrid cloud-based architecture. The Commission will continue to implement non-proprietary development techniques and technologies to ensure flexibility and portability in cloud deployments, while maintaining the necessary levels of IT security. In FY 2023, we expect to continue utilizing a hybrid cloud-based architecture to improve the availability and accessibility of our systems, increase our redundancy, and reduce our dependence on physical data centers.

Risk Management and Planning

We have an enterprise risk management (ERM) process to establish, maintain, monitor, evaluate, and report on agency risks. The process is led by the Director of the Office of Internal Control and Risk Management, who reports directly to the Chair as a result of a recent change to the Commission's reporting structure. ERM is an integral part of all strategic planning, performance management, budget, IT, and human capital functions and activities. As part of this effort, we maintain an ERM database, which supports categorizing, documenting, and evaluating risks to the agency. Management performs ongoing assessments to identify, manage, and update the risks in this database. The risk profile is developed from the risk database and ranks risks from an agency-wide perspective. The profile is discussed, prioritized, and reviewed by the Commission's Performance Management and Strategic Planning Committee. The primary purpose of the risk profile is to assess how the risks we face from operations, mission-support activities, and external factors influence our ability to meet the agency's mission and achieve its performance goals.

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

Each quarter, agency leaders and other senior staff review progress on our strategic and management objectives and identify and discuss enterprise risks. These reviews, along with the evidence related to specific performance goals and associated risks identified by our managers, inform the development of our Annual Performance Plan and Congressional Budget Justification. We continue to evaluate how to improve our planning and ERM processes and how to make more effective use of the data we collect.

Good Accounting Obligation in Government Act

The Good Accounting Obligation in Government Act requires each agency to include in its annual budget justification a report that lists each public recommendation issued by the Government Accountability Office (GAO) and the agency's Office of Inspector

General (OIG) that has remained unimplemented for one year or more from the annual budget justification submission date. The Commission does not have any open GAO recommendations. The table below lists all six of the Commission's IG recommendations that have been open for more than one year and the Commission's target date to take final action on the recommendations.

Report Title	Report Number	Issue Date	USITC OIG Recommendation	Target Date for Final Action on Management Decisions
Audit of Directives Management	OIG-AR-15-14	09/02/2015	Define standard format and content requirements for each type of internal rule.	04/01/2022
Audit of Directives Management	OIG-AR-15-14	09/02/2015	Document interrelated and dependent directives to understand how changing one policy may affect another.	04/01/2022
Audit of Time and Attendance	OIG-AR-18-09	03/27/2018	Update Commission policies to remove duplicative information and clearly identify the roles and responsibilities where authority has been delegated.	04/01/2022
Audit of Time and Attendance	OIG-AR-18-09	03/27/2018	Establish a process to keep accurate record of the hours worked by employees.	04/01/2022
Audit of Time and Attendance	OIG-AR-18-09	03/27/2018	Have a consistent policy for recording time increments for credit, compensatory, and overtime hours.	04/01/2022
Audit of Time and Attendance	OIG-AR-18-09	03/27/2018	Establish a policy to manage religious compensatory time.	04/01/2022

Publications Proposed for Elimination

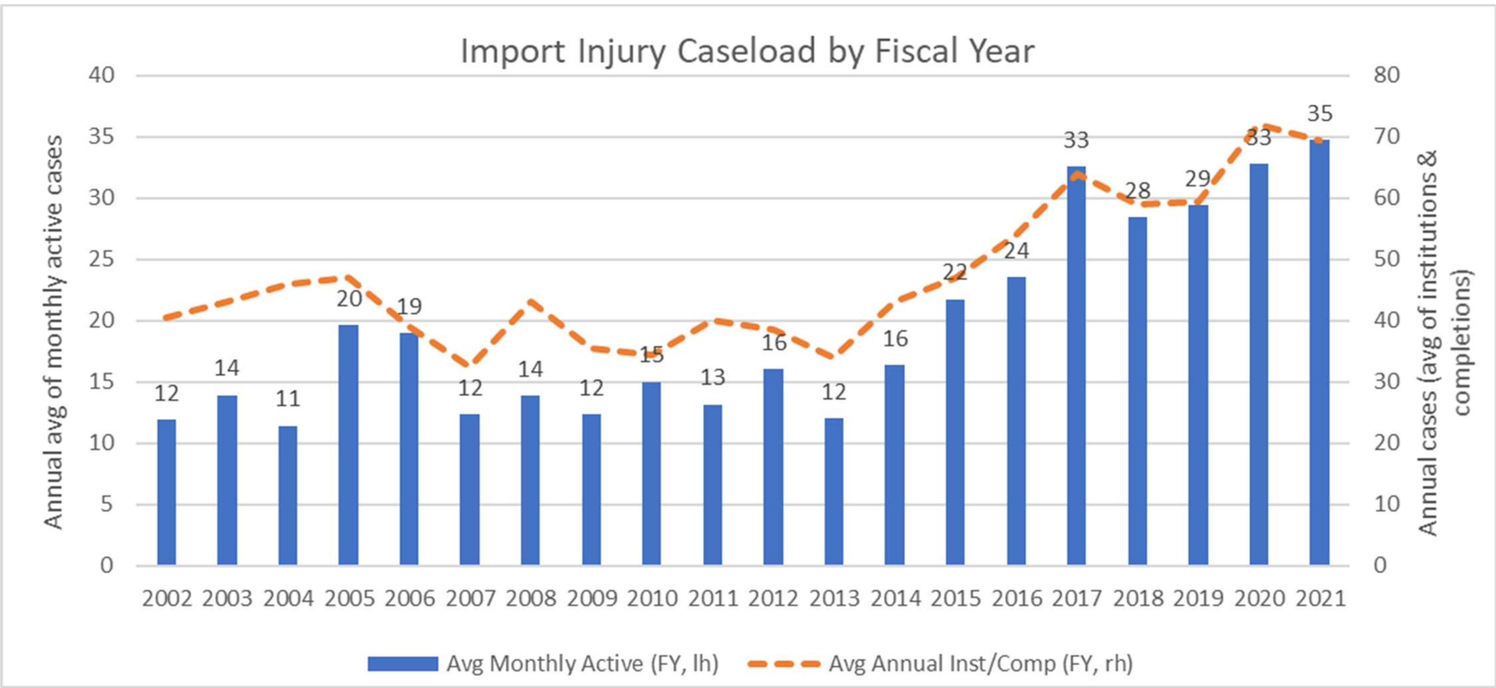
The Commission has identified two publications that it has proposed for elimination or streamlining in response to requirements of the GPRA Modernization Act of 2010. Specifically, the Commission has requested elimination of the requirement found in 19 U.S.C. § 3204 to provide the *Andean Trade Preference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

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

Import Injury Investigations Caseload

Instituted and Completed Investigations

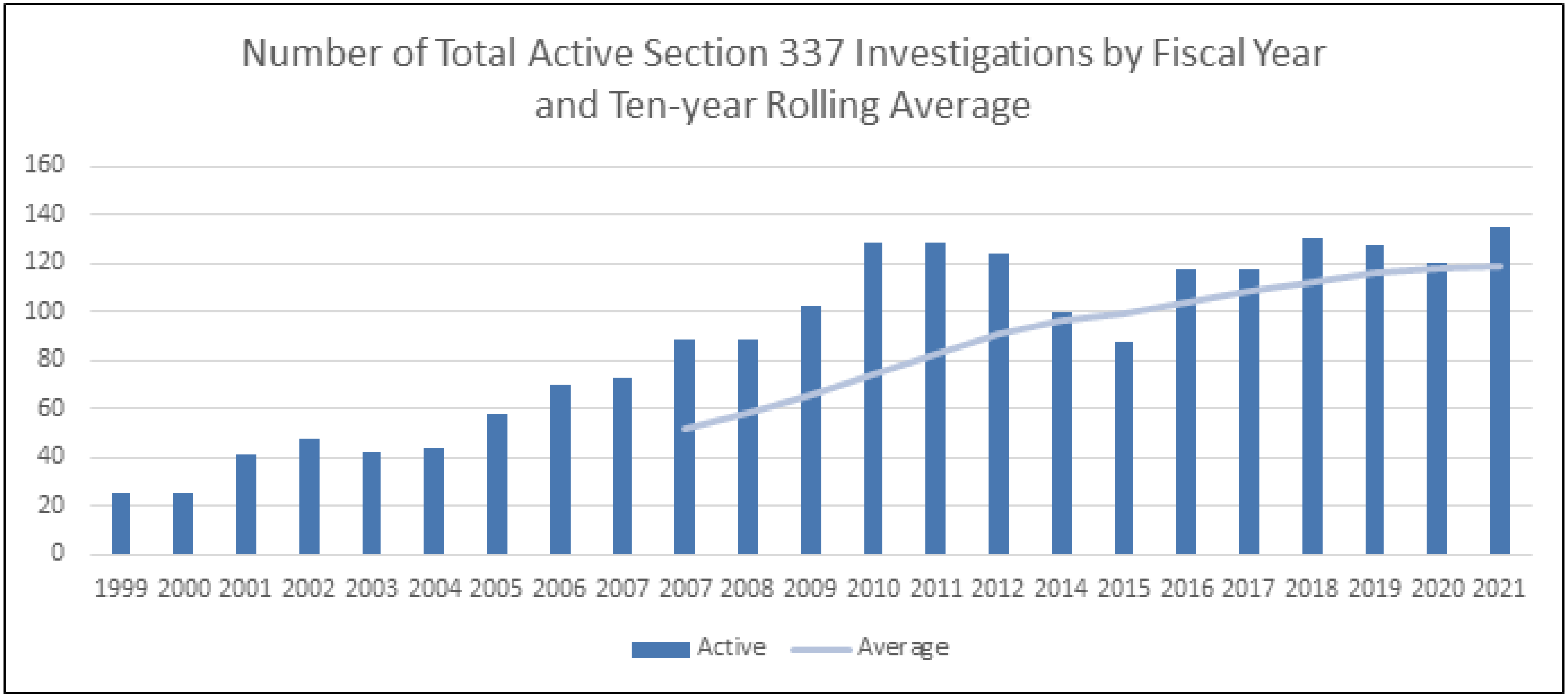
	Instituted							Completed						
	FY 2017 Actual	FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2022 Estimate	FY 2023 Estimate	FY 2017 Actual	FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2022 Estimate	FY 2023 Estimate
Preliminary Title VII	20	18	15	26	11	17	17	17	18	19	25	12	17	17
Final Title VII	12	21	19	16	23	13	17	19	18	15	20	25	13	17
Other	2	0	3	3	1	3	3	0	2	2	2	2	2	3
Full review	11	7	6	5	9	11	11	11	11	7	6	5	8	11
Expedited review	17	10	16	25	17	29	24	15	13	17	16	23	25	27
Total	**62**	**56**	**59**	**75**	**61**	**73**	**72**	**62**	**62**	**60**	**69**	**67**	**65**	**75**



Unfair Import Investigations Caseload

Instituted and Completed Original and Ancillary Investigations

Status	FY 2017 Actual	FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2022 Estimate	FY 2023 Estimate
Instituted	64	74	59	52	82	65	65
Completed	61	61	60	67	64	60	60

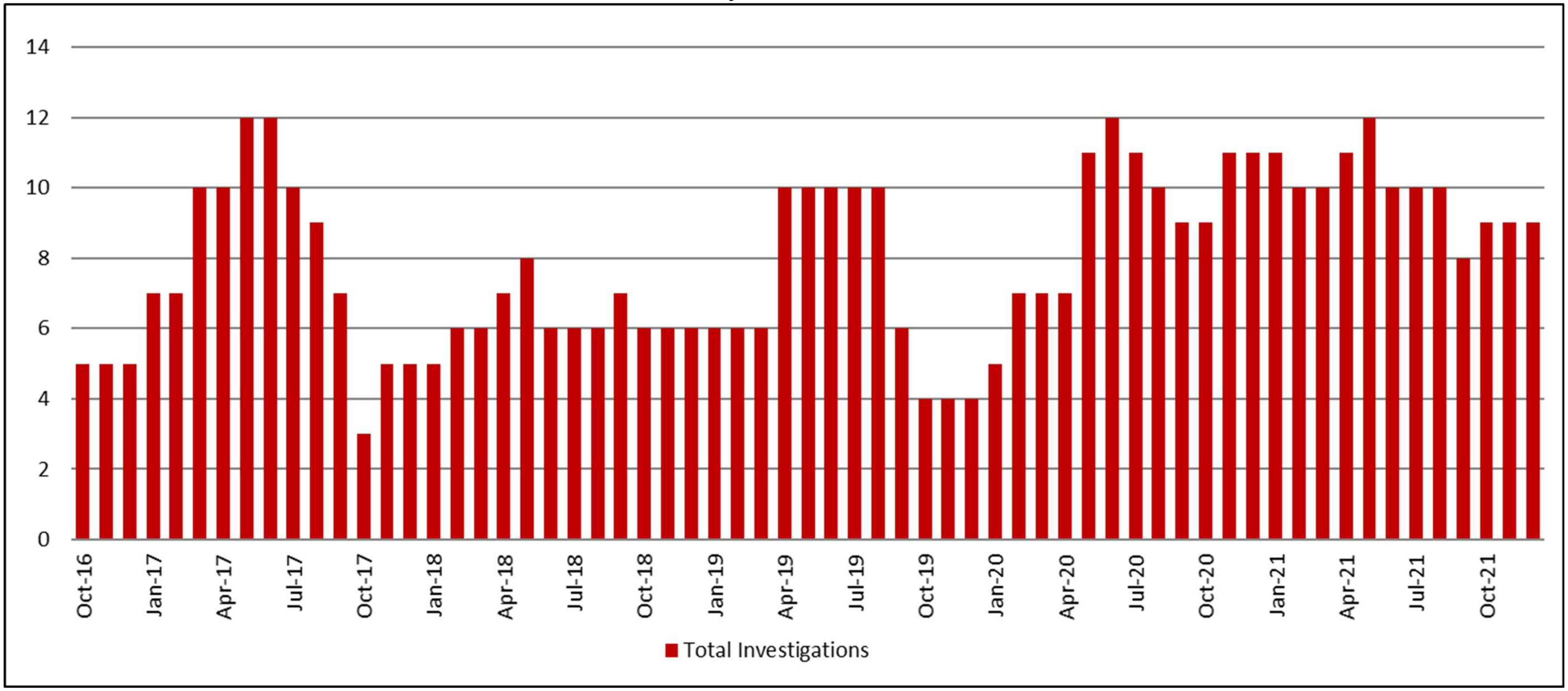


Industry and Economic Analysis Investigations Caseload

Instituted, Completed, and Active Recurring Investigations

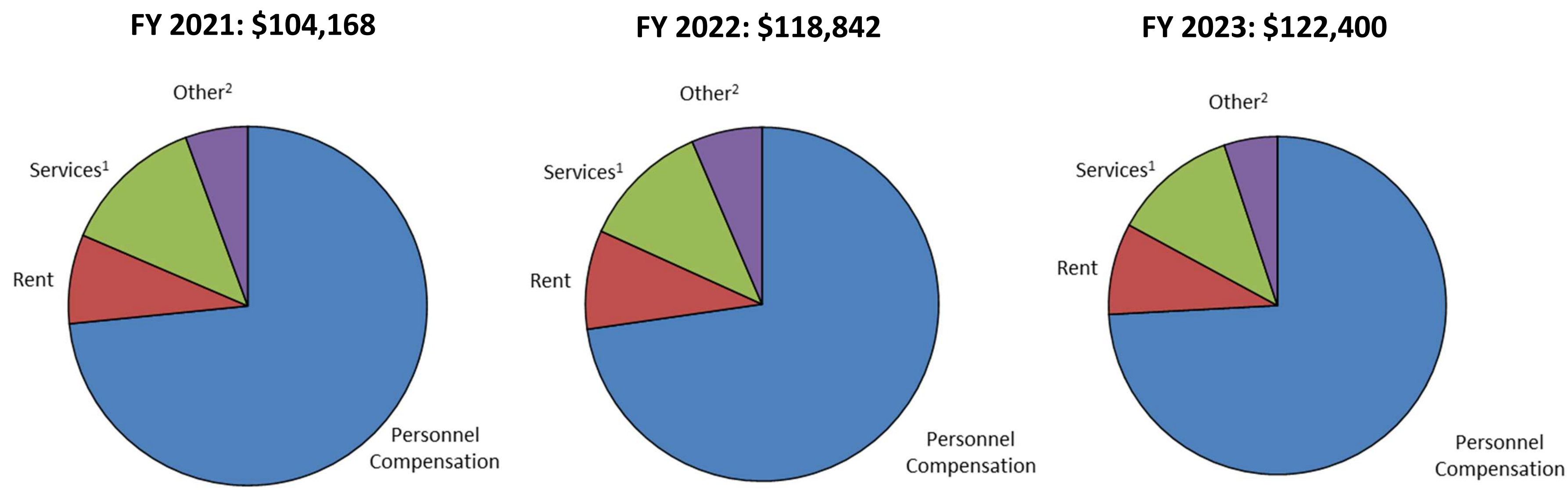
Status	FY 2017 Actual	FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2022 Estimate	FY 2023 Estimate
Instituted	5	5	7	10	6	7	7
Completed	5	4	9	5	6	8	7
Active Recurring	7	6	6	5	5	5	5

Monthly Active Caseload



Obligations: Comparison by Budget Object Classification, Fiscal Years 2021–23

(Dollar amounts in thousands)



CATEGORY OF OBLIGATION		FY 2021 Actual		FY 2022 Request		FY 2023 Request	
		Dollars	Percent of Total	Dollars	Percent of Total	Dollars	Percent of Total
Personnel Compensation		$76,806	73.7%	$86,439	72.7%	$90,780	74.2%
Rent		8,269	7.9%	10,741	9.0%	10,698	8.7%
Services		13,308	12.8%	13,983	11.8%	14,677	12.0%
Other		5,785	5.6%	7,679	6.5%	6,245	5.1%
TOTAL		**$104,168**	**100.0%**	**$118,842**	**100.0%**	**$122,400**	**100.0%**

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

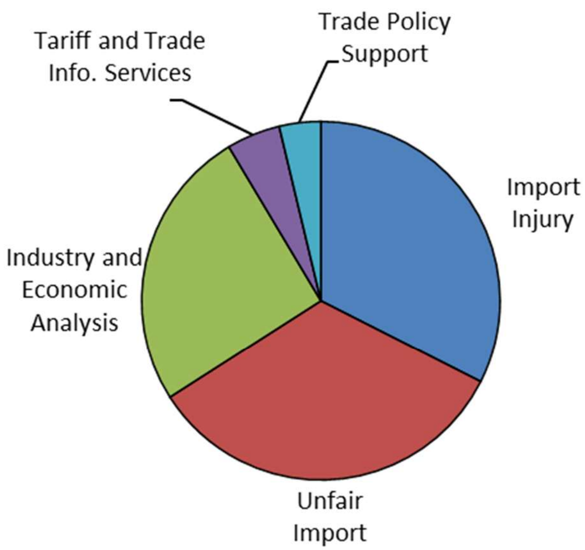
[1] Services include, but are not limited to, obligations for contractor staff (IT service desk, security guards, financial audits), software licenses, and equipment maintenance.

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

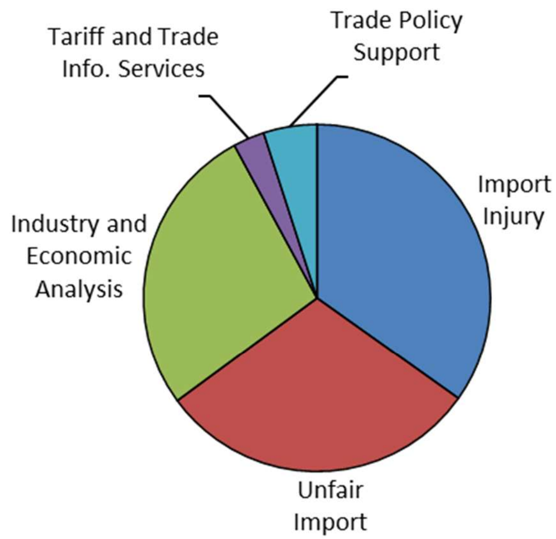
Obligations: Comparison by Strategic Goal, Fiscal Years 2021–23

(Dollar amounts in thousands)

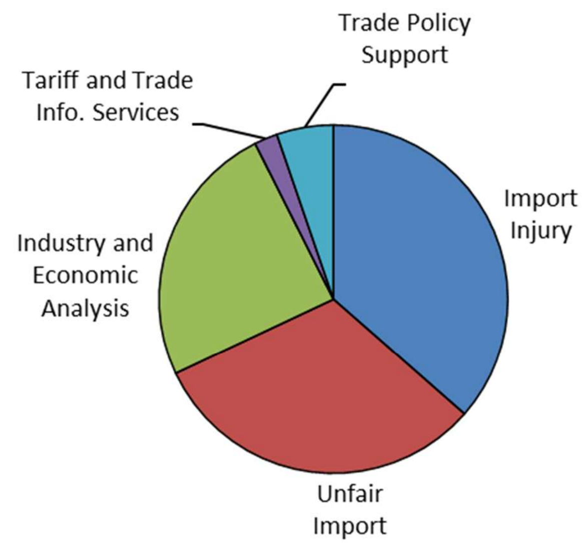
FY 2021: $104,168



FY 2022: $118,842



FY 2023: $122,400



CATEGORY OF OBLIGATION	FY 2021 Actual		FY 2022 Request		FY 2023 Request	
	Dollars	Percent of Total	Dollars	Percent of Total	Dollars	Percent of Total
Trade Remedy Investigations (Strategic Goal 1)						
Import Injury	$33,819	32.5%	$41,389	34.8%	$44,633	36.5%
Unfair Import	34,880	33.5%	35,744	30.1%	38,589	31.5%
Tariff, Trade, and Competitiveness Related Analysis and Information (Strategic Goal 2)						
Industry and Economic Analysis	26,527	25.5%	32,319	27.2%	30,101	24.6%
Tariff and Trade Information Services	5,043	4.8%	3,468	2.9%	2,634	2.2%
Trade Policy Support	3,899	3.7%	5,922	5.0%	6,443	5.3%
TOTAL	**$104,168**	**100.0%**	**$118,842**	**100.0%**	**$122,400**	**100.0%**

Analysis of Change by Budget Object Classification, Fiscal Years 2021–23

(Dollar amounts in thousands)

	FY 2021 Actual	FY 2022 Request	FY 2023 Request	FY 2022–23 Change	Percentage Change
Personnel Obligations	**$76,806**	**$86,439**	**$90,780**	**$4,341**	**5.0%**
Non-personnel Obligations					
Rent	$8,269	$10,741	$10,698	-$43	-0.4%
Services	13,308	13,983	14,677	694	5.0%
Supplies	2,006	1,932	1,997	65	3.4%
Equipment	1,772	2,507	1,770	-737	-29.4%
Travel	8	534	411	-123	-23.0%
Training	370	600	641	41	6.7%
Communications and Equipment Rental	1,263	1,683	895	-788	-46.8%
Printing and Reproduction	370	344	355	11	3.0%
Official Reception and Representation	0	4	4	0	0.0%
All Other (Transportation, Postage, Land and Structures, Credit Card Rebates)	-2	74	172	98	132.4%
Subtotal Non-personnel Obligations	**$27,362**	**$32,403**	**$31,620**	**-$783**	**-2.4%**
Total Obligations	**$104,168**	**$118,842**	**$122,400**	**$3,558**	**3.0%**

Summary of Changes from the FY 2022 Budget Request

(Dollar amounts in thousands)

Personnel Obligations

Personnel .... +$4,341

Personnel obligations are expected to increase by about $4.3 million. This funding is required to sustain the human capital investments that we plan to make in FY 2022, commensurate with our record high caseload. What was originally expected to be a temporary surge in caseload has proven to be a structural change in its volume and complexity. To illustrate, we experienced a record number of petitions and preliminary-phase import injury investigations in FY 2020. In FY 2021, we completed a record number of final-phase investigations – five, or 25%, more than the prior fiscal year, and more than twice as much as the average of 10 investigations for fiscal years 2011 to 2020. We project a sustained high overall caseload for import injury investigations and reviews, estimating 73 investigations instituted in FY 2022 and 72 instituted in FY 2023.

Further, in FY 2021, our section 337 workload reached the highest level of activity to date and due to the increase in the number of new investigations in FY 2021, we anticipate that there will be a high number of active cases throughout FY 2022 and into FY 2023. Additionally, in FY 2022 we expect the number of new incoming factfinding reports to increase over FY 2021 and remain steady into FY 2023. Lastly, compared to two or three revisions in a typical year, in FY 2021, we prepared and published 18 revisions of the HTS (in addition to releasing a preliminary Basic Edition and the annual Basic Edition for January 1, 2021). We expect that a similar number of revisions will be necessary for FYs 2022 and 2023.

This funding level will also cover an anticipated 2.5 percent pay raise effective January 1, 2023, and pay for the normal cost of employee promotions, within-grade increases, and increased benefits.

Non-Personnel Obligations

Rent...-$43

FY 2023 rent obligations are expected to remain stable; the $43,000 decrease reflects an adjustment to real estate taxes.

Services..+$694

Services obligations are expected to increase by $694,000. Additional resources are requested to fund end-of-life network area storage replacement, cyber security investments, and technologies to improve the transfer and management of data over the network.

Supplies ....+$65

Supplies obligations reflect an inflationary increase.

Equipment..-$737

Equipment obligations are expected to decrease by $737,000, which reflects the FY 2022 lifecycle replacement of IT equipment that is not included in the FY 2023 request.

Travel..-$123

Travel obligations are projected to decrease and align with post-pandemic travel expectations. This request will sufficiently fund statutory investigations, anticipated studies, knowledge development in emerging trade issues and priority areas, representational travel to international organization meetings, litigation support, and multilateral and regional agreement negotiation support.

Training..+$41

Training obligations are expected to increase $41,000, which will provide sufficient funding for developing and advancing staff skills and meeting the licensing, certification, and professional education requirements of existing and newly hired staff.

Communications and Equipment Rental..-$788

Communications and equipment rental obligations are expected to decrease by $788,000, which reflects the savings associated with migration to the General Services Administration’s Enterprise Infrastructure Solutions contract for our telecommunications requirements. It is important to note that these savings may be repurposed to increase bandwidth and make long-overdue infrastructure upgrades (refer to the increase in services obligations).

Printing and Reproduction...+$11

Printing and reproduction obligations reflect an inflationary increase.

All Other (Official Reception and Representation, Transportation, Postage, Land and Structures, Credit Card Rebates)**...............................+$98**

Land and structures obligations are expected to increase to fund building modifications to improve post-pandemic operations.

Net Non-Personnel Obligations Changes..-$783

Total Adjustment to Base ($118,842)...+$3,558

Total FY 2023 Budget Request..$122,400

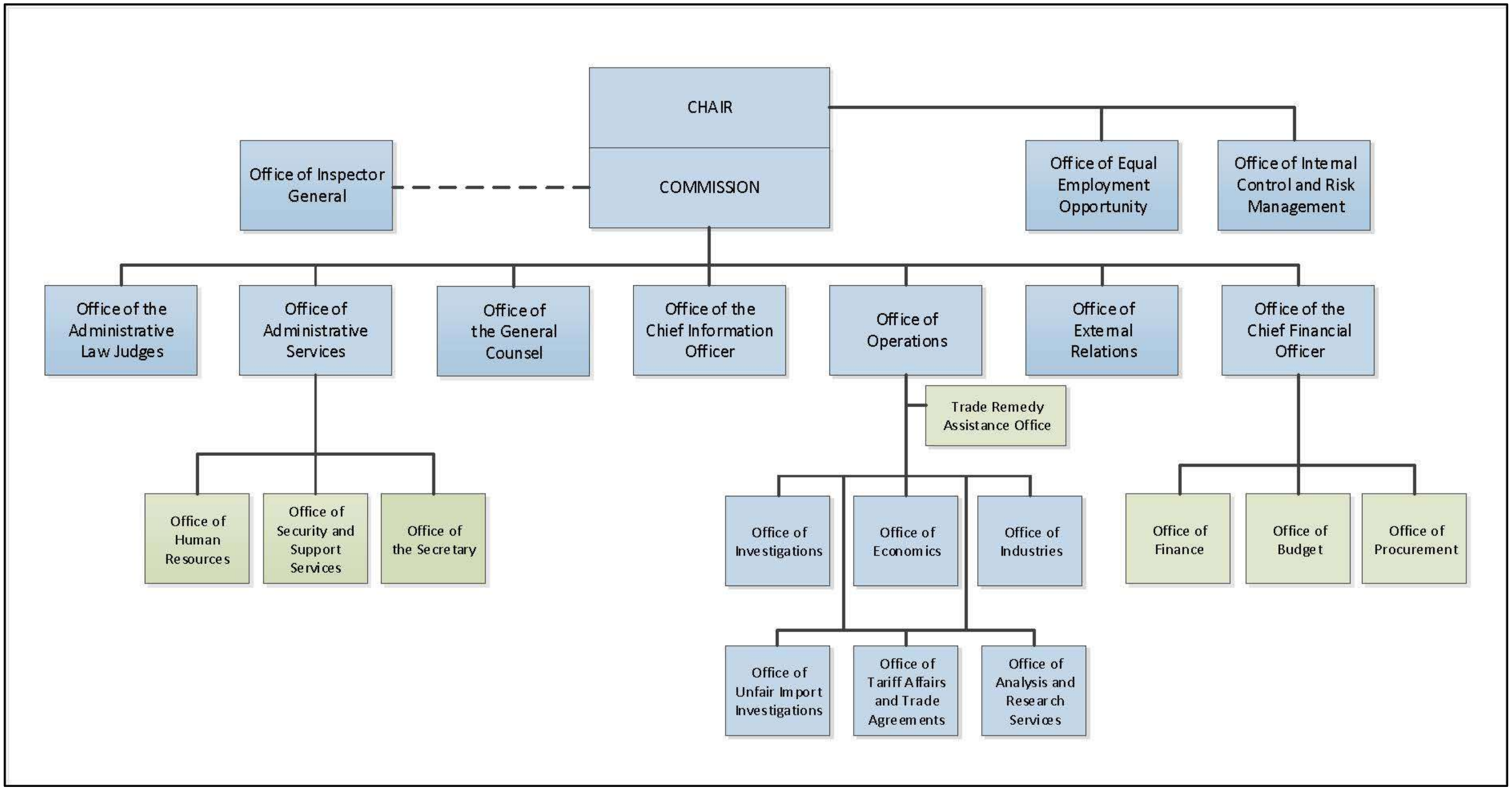
The Commissioners

The USITC is headed by six commissioners, who are nominated by the President and confirmed by the U.S. Senate. Jason E. Kearns, a Democrat, is serving as Chair of the Commission for a term ending June 16, 2022. Randolph J. Stayin, a Republican, is serving as Vice Chair for a term ending June 16, 2022. Other commissioners currently serving are, in order of seniority, David S. Johanson, Rhonda K. Schmidtlein, and Amy A. Karpel.[5]

Each commissioner serves a term of nine years, unless appointed to fill an unexpired term. The terms are set by statute and are staggered such that a different term expires every 18 months.[6] A commissioner who has served for more than five years is ineligible for reappointment. A commissioner may, however, continue to serve after the expiration of his or her term until a successor is appointed and qualified. Congress's desire to create an independent and nonpartisan Commission is evident in the rules that dictate the composition of the Commission. No more than three commissioners may be members of the same political party. The Chair and the Vice Chair are designated by the President[7] and serve for a statutory two-year term. The Chair may not be of the same political party as the preceding Chair, nor may the President designate two commissioners of the same political party to serve as the Chair and Vice Chair. Currently three Democrats and two Republicans serve as commissioners.

[5] Currently, there is one vacancy.
[6] 19 U.S.C. § 1330.
[7] If the President does not designate a Chair, the senior commissioner of the relevant political party serves as Chair, by operation of law.

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



Current Permanent and Term Staffing Plan and Target Staffing Levels

Office	Permanent and Term Positions		
	FY 2022 Staffing Plan	Onboard as of 1/24/2022	Gap
Commissioners	38	29	9
External Relations	4	3	1
Internal Control & Risk Management	4	4	0
Inspector General	5	4	1
General Counsel	53	49	4
Administrative Law Judges	26	23	3
Equal Employment Opportunity	2	1	1
Chief Information Officer	38	36	2
Subtotal: Other Offices	**170**	**149**	**21**
Operations	6	4	2
Analysis and Research Services	28	22	6
Investigations	31	32	-1
Unfair Import Investigations	25	24	1
Economics	44	38	6
Tariff Affairs and Trade Agreements	14	13	1
Industries	77	64	13
Subtotal: Operations	**225**	**197**	**28**
Chief Financial Officer	3	3	0
Budget	3	3	0
Finance	6	6	0
Procurement	6	6	0
Subtotal: Chief Financial Officer	**18**	**18**	**0**
Administrative Services	5	5	0
Human Resources	12	11	1
Security and Support Services	11	10	1
Secretary and Dockets	20	20	0
Subtotal: Administrative Services	**48**	**46**	**2**
Commission Total	**461**	**410**	**51**

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

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