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Commerce, Justice, Science, and Related Agencies Appropriations (CJS): Trade-Related Agencies

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Summary

This report tracks and describes actions taken by the Administration and Congress to provide FY2016 appropriations for the International Trade Administration (ITA) of the U.S. Department of Commerce, the U.S. International Trade Commission (USITC), and the Office of the United States Trade Representative (USTR). These three trade-related agencies are part of the Commerce, Justice, Science, and Related Agencies (CJS) appropriations process. The report also provides an overview of three trade-related programs that are administered by ITA, USITC, and USTR.

The Consolidated and Further Continuing Appropriations Act, 2015 (P.L. 113-235) provided a total of \$600.8 million for the three agencies, including \$462.0 million for ITA, \$84.5 million for USITC, and \$54.3 million for USTR. The Administration requests \$684.6 million for FY2016 for the three agencies, which is 13.9% more than what Congress appropriated for FY2015. The request includes a one-time increase of \$83.8 million (55.6%) in funding for USITC for costs associated with securing space for the agency following the expiration of its current lease in August 2017.

Key issues that may be of interest to Congress are the Administration's efforts regarding China antidumping and countervailing duty enforcement and compliance activities, the Interagency Trade Enforcement Center, and efforts to attract foreign investment to the United States. The budget request includes a \$6.0 million increase for ITA to support the Interagency Trade Enforcement Center (ITEC), led by both USTR and ITA, which would increase funding by 66.7% over the FY2015 level. The FY2016 request also includes a \$10.0 million increase, a proposed 100% increase, for ITA's SelectUSA program to help attract foreign direct investment to the United States.

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Introduction

This report tracks and provides an overview of actions taken by the Administration and Congress to provide appropriations for trade-related agencies under the Commerce, Justice, Science, and Related Agencies (CJS) appropriations process.¹ It provides an overview of the Administration's FY2016 budget request and enacted FY2015 appropriations for the International Trade Administration (ITA), the U.S. International Trade Commission (USITC), and the Office of the United States Representative (USTR), as a part of the annual appropriation for CJS.

Issues that may be of interest to Congress include the Administration's efforts regarding China antidumping and countervailing duty enforcement and compliance activities and the Interagency Trade Enforcement Center (ITEC). Congress may also be interested in the Administration's efforts to attract foreign direct investment to the United States through the SelectUSA program. This report will be updated as events warrant.

FY2015 and FY2016 Appropriations for Trade-Related Agencies

On December 16, 2014, President Obama signed into law the Consolidated and Further Continuing Appropriations Act, 2015 (P.L. 113-235). The act provided a total of \$61.753 billion for the agencies and bureaus funded by the annual CJS appropriations act in FY2015, including \$600.8 million for three trade-related agencies. The Administration requests a total of \$66.382 billion for CJS for FY2016. The Administration's request would be 7.5% more than what Congress appropriated for FY2015.² For the three trade-related agencies, the Administration requests \$684.6 million for FY2016, an increase of 13.9% over the FY2015 amount. **Table 1** shows the FY2015 enacted appropriations and the Administration's FY2016 request for these agencies.

¹ The annual Commerce, Justice, Science, and Related Agencies (CJS) appropriations act provides funding for the Departments of Commerce and Justice, the science agencies, and several related agencies. Appropriations for the Department of Commerce include funding for the International Trade Administration (ITA). The annual appropriation for the related agencies includes funding for numerous agencies, including the U.S. International Trade Commission (USITC), and the Office of the United States Trade Representative (USTR).

² See CRS Report R43918, *Overview of FY2016 Appropriations for Commerce, Justice, Science, and Related Agencies (CJS)*, by Nathan James.

Table I. Appropriations for CJS Trade-Related Agencies, FY2015 and FY2016
(\$ in millions)

CJS Trade-Related Agency	FY2015 Enacted	FY2016 Request	FY2016 House Passed	FY2016 Senate Passed	FY2016 Enacted
International Trade Administration	\$462.0 ^a	\$496.8 ^a			
U.S. International Trade Commission	\$84.5	\$131.5			
Office of the U.S. Trade Representative	\$54.3	\$56.3			
Total	\$600.8	\$684.6			

Source: The FY2015 enacted amounts were taken from the Joint Explanatory Statement to accompany P.L. 113-235, printed in the December 11, 2014, *Congressional Record* (pp. H9342-H9363). The FY2016 requested amounts were taken from the FY2016 budget submissions from the International Trade Administration, U.S. International Trade Commission, and the Office of the U.S. Trade Representative.

- a. Appropriation amounts for ITA include \$10.0 million in user fees, which would raise available funds to \$472.0 million in FY2015 and \$506.8 million in FY2016.

International Trade Administration (ITA)

ITA is a part of the Department of Commerce, whose mission is to promote “job creation, economic growth, sustainable development and improved standards of living ... by working in partnership with businesses, universities, communities and ... workers.”³ ITA’s mission is to improve U.S. prosperity by strengthening the competitiveness of U.S. industry, promoting trade and investment, and ensuring compliance with trade laws and agreements. ITA provides export promotion services, works to ensure compliance with trade agreements, administers trade remedies such as antidumping and countervailing duties, and provides analytical support for ongoing trade negotiations. ITA went through a major organizational change in October 2013 in which it consolidated four organizational units⁴ into three more functionally-aligned units, which include: (1) Global Markets; (2) Industry and Analysis; and (3) Enforcement and Compliance. ITA also has a fourth organizational unit, the Executive and Administrative Directorate, which is responsible for providing policy leadership, information technology support, and administration services for all of ITA.⁵ **Table A-1** shows budget amounts for ITA by unit between FY2005 and FY2015.

The FY2015 CJS Appropriations Act provided \$462.0 million for ITA in direct funding, with an additional \$10.0 million in user fees, for a total of \$472.0 million in available funds. The Administration’s request for FY2016 is \$496.8 million, an increase of 7.5% over the FY2015 enacted amount (not including user fees). The request includes an additional \$10.0 million in user

³ U.S. Department of Commerce, *About the Department of Commerce*, <http://www.commerce.gov/about-department-commerce>.

⁴ ITA’s four organizational units prior to FY2014 included Manufacturing and Service; Market Access and Compliance; Import Administration; and Trade Promotion and the U.S. & Foreign Commercial Service.

⁵ International Trade Administration (ITA), *About the International Trade Administration*, <http://www.trade.gov>.

fees, the same amount as in FY2015, which would raise total available funds to \$506.8 million for FY2016.⁶

Global Markets Unit

ITA's Global Markets unit combines country and regional experts, both overseas and domestically, and specific trade promotion programs to provide U.S. firms with country-specific export promotion services and market access advocacy. The unit also promotes the United States as an investment destination. It is designed to advance U.S. commercial interests by engaging with foreign governments and U.S. businesses, identifying and resolving country-specific market barriers, and leading interagency efforts that advocate for U.S. firms with foreign governments. It also is also designed to help promote U.S. exports by developing and implementing policies and programs to increase market access in foreign countries for U.S. goods and services and by providing various types of direct assistance to U.S. firms, especially small and medium-sized enterprises.

For FY2016, ITA requests \$334.4 million and 1,122 full time employees (FTEs) for the Global Markets unit, a net increase of \$4.7 million and 9 FTEs over the previous year.⁷

Industry and Analysis

ITA's Industry and Analysis unit brings together ITA's industry, trade, and economic experts to advance the competitiveness of U.S. industries through the development and execution of international trade and investment policies, export promotion strategies, and investment promotion. It develops economic and international policy analysis in an effort to improve market access for U.S. businesses, and designs and implements trade and investment promotion programs. The unit serves as the primary liaison between U.S. industries and the government on trade and investment promotion. It administers programs that support small and medium-sized enterprises, such as the Market Development Cooperator Program.

For FY2016, ITA requests \$58.3 million and 248 FTEs for the Industry and Analysis unit, a net increase of \$1.0 million and the same number of FTEs compared to the previous year.⁸

Enforcement and Compliance

The mission of ITA's Enforcement and Compliance unit is to enforce U.S. trade laws and ensure compliance with negotiated international trade agreements. It promotes the administration of U.S. antidumping and countervailing trade law remedies; addresses trade-distorting practices; promotes disciplines and practices by U.S. trading partners that enhance transparency and impartiality; and administers the Foreign Trade Zone program and other U.S. import programs. It represents and advocates on behalf of U.S. industries on issues regarding trade enforcement and compliance.

⁶ ITA, *Budget Estimates for Fiscal Year 2016*, February 2015, pp. 5-7.

⁷ *Ibid.*, p. 53.

⁸ *Ibid.*, p. 19.

For FY2016, ITA requests a total of \$80.7 million and 348 FTEs for Enforcement and Compliance, an increase of \$6.2 million and 18 FTEs over the previous year.⁹

U.S. International Trade Commission (USITC)

USITC is an independent federal agency with broad investigative responsibilities on matters related to international trade. The mission of the agency is to “(1) administer U.S. trade remedy laws within its mandate in a fair and objective manner; (2) provide the President, USTR, and Congress with independent analysis, information, and support on matters of tariffs, international trade, and U.S. competitiveness; and (3) maintain the Harmonized Tariff Schedule of the United States.”¹⁰ USITC’s activities include investigating the effects of dumped and subsidized imports on domestic industries; conducting global safeguard investigations; and adjudicating disputes involving imported goods that allegedly infringe U.S. intellectual property rights. Through such proceedings, the agency helps to facilitate a rules-based international trading system. USITC also serves as a federal resource for trade data and other trade policy information. It provides such information and analysis to Congress, the President, and USTR to facilitate the development of U.S. trade policy. USITC also makes most of this information available to the public to promote understanding of competitiveness, international trade issues, and the role that international trade plays in the U.S. economy. As a matter of policy, its budget request is submitted to Congress by the President without revision.

USITC received \$84.5 million for FY2015. The Administration’s request for USITC for FY2016 is \$131.5 million, of which \$42.7 million is a one-time cost related to the transition to a new office plan. The FY2016 request is 55.6% more than the FY2015 enacted amount.¹¹

Office of the U.S. Trade Representative (USTR)

USTR, located in the Executive Office of the President, is responsible for developing and coordinating U.S. international trade and direct investment policies. USTR is the President’s chief negotiator for international trade agreements, including commodity and direct investment negotiations. It negotiates directly with foreign governments to create trade agreements, resolve disputes, and participate in global trade policy organizations such as the World Trade Organization. It also meets with business groups, policymakers, and public interest groups on trade policy issues.¹² USTR is leading free trade agreement (FTA) negotiations for the United States for the proposed Trans-Pacific Partnership agreement (TPP) and for the proposed Transatlantic Trade and Investment Partnership (T-TIP). It is also monitoring the implementation of existing FTAs such as the U.S.-South Korea and U.S.-Colombia FTAs.

⁹ *Ibid.*, pp. 33 and 89.

¹⁰ U.S. International Trade Commission (USITC), *About the USITC*, <http://www.usitc.gov>.

¹¹ USITC, *Budget Justification Fiscal Year 2016*, February 2016. The budget does not provide information on staff level estimates.

¹² Office of the United States Trade Representative (USTR), *About Us*, <http://www.ustr.gov>.

The FY2015 CJS Appropriations Act provided \$54.3 million for USTR. The Administration's request for FY2016 is \$56.3 million and an estimated 240 FTEs, a proposed increase of 3.7% and 7 FTEs over the FY2015 enacted amount.¹³

Selected Trade-Related Programs and Activities

Over the past decade, Congress has provided funding for specific trade-related programs under the CJS trade-related agencies. These programs have sought to address areas of congressional interest, including: China trade enforcement and compliance activities; trade promotion and attracting foreign direct investment to the United States through ITA's SelectUSA program; and the Interagency Trade Enforcement Center (ITEC) established by the President in 2012.

China Trade Enforcement and Compliance Activities

Since 2004, Congress has dedicated some of ITA's funding to antidumping and countervailing duty enforcement and compliance activities with respect to China and other non-market economies. ITA's Office of China Compliance was established on January 23, 2004, under the Consolidated Appropriations Act of 2004 (P.L. 108-199). Its primary role was to enforce U.S. antidumping and countervailing duty laws and to develop and implement other policies and programs aimed at countering unfair foreign trade practices in China. ITA's China Countervailing Duty Group was established in FY2009 to accommodate the workload that resulted from the application of countervailing duty law to imports from non-market economy countries.¹⁴ See **Table A-3** for FY2005 through FY2015 budget authority for ITA's China antidumping and countervailing duty enforcement and compliance activities—including the Office of China Compliance and the China Countervailing Duty Group.

SelectUSA Program

Created in 2011, SelectUSA is part of ITA's Global Markets unit. It coordinates investment-related resources across more than 20 federal agencies to promote the United States as an investment market and to address investor climate concerns that may impede investment in the United States. It serves as an information resource for international investors and advocates for U.S. cities, states, and regions. ITA is requesting \$20.0 million for FY2016 to implement further the SelectUSA program, an increase of \$10.0 million over the FY2015 amount.¹⁵ **Table A-3** shows SelectUSA funding levels for FY2012 through FY2015.

Interagency Trade Enforcement Center

On February 28, 2012, President Barack Obama signed Executive Order 13601 establishing the ITEC to advance U.S. foreign trade policy through strengthened and coordinated enforcement of

¹³ Executive Office of the President, USTR, *Congressional Budget Submission*, February 2015.

¹⁴ House Committee Report 111-149, *Commerce, Justice, Science, and Related Agencies Appropriations Bill, 2010*, pp. 10-11.

¹⁵ *Ibid.*, p. 57.

U.S. trade rights under international trade agreements and enforcement of U.S. trade laws.¹⁶ The President's goal is to take a "whole-of-government" approach to monitoring and enforcing U.S. trade rights around the world by using expertise from across the federal government.¹⁷ The ITEC is led by a Director designated by USTR and a Deputy Director designated by the Secretary of Commerce. The ITEC coordinates interagency trade enforcement matters among USTR and the Departments of Commerce, State, Treasury, Justice, Agriculture, and Homeland Security, as well as the Office of the Director of National Intelligence, and other agencies that the President or USTR may designate. ITA works closely with the ITEC to identify issues and develop information in areas of economic importance to U.S. industries. Funding for the ITEC is appropriated through ITA. The FY2016 budget request for the ITEC is \$15.0 million, an increase of \$6.0 million over the FY2015 funding amount.¹⁸ See **Table A-3** for FY2012 through FY2015 budget authority for the ITEC.

Overview of Issues

Issues that Congress may consider while debating the FY2016 funding levels for the three CJS trade-related agencies could include:

- Whether to approve a one-time 55.6% increase in funding for USITC for costs associated with securing office space for the agency following the expiration of its current lease in August 2017.
- Whether to provide an additional \$10.0 million (100% increase) for ITA's SelectUSA program to help attract foreign investment to the United States.
- Whether to provide an increase of \$6.0 million (67% increase) for ITA to support the ITEC led by USTR and ITA.
- Whether Congress should continue to provide funding for ITA's China antidumping and countervailing duty enforcement and compliance activities.

¹⁶ Executive Order 13601, "Establishment of the Interagency Trade Enforcement Center," vol. 77 (Washington: GPO, 2012).

¹⁷ Office of the United States Trade Representative, *Interagency Trade Enforcement Center (ITEC)*, <https://www.ustr.gov>.

¹⁸ ITA, *Budget Estimates Fiscal Year 2016*, p. 40.

Appendix. Budget Authority Tables

Table A-1. Budget Authority for ITA by Unit: FY2005-FY2015

(\$ in millions)

	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015
Manufacturing and Services	47.9	46.8	47.1	40.5	48.6	49.5	48.9	46.5	42.3	—	—
Market Access and Compliance	42.0	41.4	41.6	41.4	42.3	43.2	42.6	42.6	39.9	—	—
Import Administration	61.7	59.4	59.8	62.7	66.4	68.3	67.4	69.8	70.9	—	—
Trade Promotion and the U.S. & Foreign Commercial Service	215.1	224.2	223.7	235.4	237.7	258.4	254.9	269.8	261.7	—	—
Industry and Analysis	—	—	—	—	—	—	—	—	—	54.9	55.5
Enforcement and Compliance	—	—	—	—	—	—	—	—	—	70.6	71.6
Global Markets	—	—	—	—	—	—	—	—	—	312.0	311.8
Executive and Administration	25.7	25.5	25.7	25.1	25.4	27.3	26.9	26.9	23.7	23.1	23.1
Total ITA	392.4	397.3	397.8	405.2	420.4	446.8	440.7	455.6	438.5	460.6	462.0

Source: Budget office, International Trade Administration (ITA), U.S. Department of Commerce.

Notes: In 2014, ITA went through a reorganization in which four units (Manufacturing and Services, Market Access and Compliance, Import Administration, and the U.S. & Foreign Commercial Service) were restructured into three units: Industry and Analysis, Enforcement and Compliance, and Global Markets.

Table A-2. Budget Authority for USITC and USTR: FY2005-FY2015
(\$ in millions)

	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015
USITC	60.9	62.0	62.0	68.4	75.1	81.9	81.7	80.0	78.9	83.0	84.5
USTR	41.0	44.2	44.2	44.1	47.3	47.8	47.7	51.3	47.6	52.6	54.3

Source: S.Rept. 109-188; S.Rept. 109-280; H.Rept. 110-240 and P.L. 110-28; House Committee on Appropriations' committee print on the Omnibus Appropriations Act, 2009 (P.L. 111-8), Division B; H.Rept. 111-149; S.Rept. 111-229; H.Rept. 112-169; H.Rept. 112-463; joint explanatory statement to accompany P.L. 113-76, printed in the January 15, 2014, *Congressional Record* (pp. H507-H532); joint explanatory statement to accompany P.L. 113-235, printed in the December 11, 2014, *Congressional Record* (pp. H9342-H9363). FY2013 post-sequestration amounts were provided by USITC and USTR.

Notes: FY2013 appropriations include sequestration.

Table A-3. Budget Authority for Selected Trade-Related Programs
(\$ in millions)

	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015
Office of China Compliance (ITA)	\$3.0	\$3.0	\$3.0	\$5.9	\$7.0	\$7.0	\$3.0	\$7.0	—	—	—
China Countervailing Duty Group (ITA)	\$0.0	\$0.0	\$0.0	\$0.0	\$4.4	\$4.4	\$0.0	\$4.4	—	—	—
China antidumping and countervailing duty enforcement and compliance activities (ITA)	—	—	—	—	—	—	—	—	\$16.4	\$16.4	\$16.4
Select USA (ITA)	—	—	—	—	—	—	—	\$0.9	\$0.9	\$7.0	\$10.0
Interagency Trade Enforcement Center (ITA and USTR)	—	—	—	—	—	—	—	\$3.2	\$6.3	\$7.5	\$9.0

Sources: P.L. 108-447, P.L. 110-161, P.L. 111-117, H.Rept. 111-366, joint explanatory statements to accompany P.L. 113-76 and P.L. 113-235, and ITA Budget office.

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