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Commerce, Justice, Science and Related Agencies (CJS) FY2018 Appropriations: Trade-Related Agencies

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June 30, 2017

Congressional Research Service

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R44882

Summary

This report tracks and provides an overview of actions taken by the Administration and Congress to provide FY2018 appropriations for the International Trade Administration (ITA), the U.S. International Trade Commission (USITC), and the office of the United States Trade Representative (USTR). These three trade-related agencies are funded through the annual Commerce, Justice, Science, and Related Agencies (CJS) appropriations act. This report also provides an overview of three trade-related programs administered by ITA, USITC, and USTR.

The Trump Administration requests a total of \$62.3 billion for CJS for FY2018, a \$4.1 billion (6.2%) reduction compared to the FY2017-enacted amount. For the three trade-related agencies for FY2018, the Administration requests a total of \$587.7 million (0.9% of total CJS) for the three agencies. The request includes \$442.5 million for ITA, \$87.6 million for USITC, and \$57.6 million for USTR, all of which would be less than the FY2017-enacted appropriations. The Consolidated Appropriations Act, 2017 (P.L. 115-31) provided a total of \$636.5 million for the three agencies (1.0% of total CJS), including \$483.0 million for ITA, \$62.0 million for USITC, and \$91.5 million for USTR.

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Introduction

This report tracks and provides an overview of actions taken by the Administration and Congress to provide FY2018 appropriations for the International Trade Administration (ITA), the U.S. International Trade Commission (USITC), and the Office of the United States Trade Representative (USTR). The three trade-related agencies are funded through the annual Commerce, Justice, Science, and Related Agencies (CJS) appropriations act.¹ This report also provides an overview of the enacted FY2017 appropriations for the three trade-related agencies. Historical funding for the trade-related agencies is provided in the **Appendix**.

FY2017 and FY2018 Appropriations for Trade-Related Agencies

The Consolidated Appropriations Act, 2017 (P.L. 115-31) provided a total of \$636.5 million for three CJS trade-related agencies. The International Trade Administration (ITA) received \$483.0 million in direct appropriations,² while the USITC received \$91.5 million, and USTR received \$62.0 million, respectively. See **Appendix** for aggregated budget authority tables for FY2007-FY2017.

The Administration's FY2018 Budget Request

The Trump Administration requests a total of \$62.3 billion for CJS for FY2018, a \$4.1 billion (6.2%) reduction compared to the FY2017-enacted amount. As shown in **Table 1**, for FY2018, the Administration proposes budget cuts, in comparison to FY2017, for all three agencies. It requests \$442.5 million (-\$40.5 million, -8.4%) in direct funding for ITA, \$87.6 million (-\$3.9 million, -4.3%) for USITC, and \$57.6 million (-\$4.4 million, -7.1%) for USTR.

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). For more information, see CRS Report R44877, *Overview of FY2018 Appropriations for Commerce, Justice, Science, and Related Agencies (CJS)*, by (name redacted)

² A portion of ITA's budget authority is offset by fee collections. Direct appropriations refers to the portion of ITA's budget that is directly funded through the CJS appropriations act.

Table I. Appropriations for CJS Trade-Related Agencies, FY2016 - FY2018
(\$ in millions)

CJS Trade-Related Agency	FY2016 Enacted	FY2017 Enacted	FY2018 Request
International Trade Administration	\$483.0	\$483.0	\$442.5
U.S. International Trade Commission	\$88.5	\$91.5	\$87.6
Office of the U.S. Trade Representative	\$54.5	\$62.0	\$57.6
Total	\$626.0	\$636.5	\$587.7

Source: The FY2016-enacted amounts were taken from the joint explanatory statement to accompany P.L. 114-113, printed in the December 17, 2015, *Congressional Record* (pp. H9732-H9759). The FY2017-enacted amounts were taken from the text of P.L. 115-31. The FY2018 requested amounts were taken from the President’s FY2018 Budget Appendices.

Notes: The FY2016 appropriation amount for ITA includes an additional \$10.0 million in user fees, which raised available funds to \$493.0 million. The FY2017 appropriation amount includes an additional \$12.0 million in user fees, which raise available funds to \$495.0 million. The Administration’s FY2018 request includes an additional \$13.0 million in user fees, which would raise available funds to \$455.5 million.

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

For FY2018, the Administration requests \$442.5 million for ITA in direct funding, with an additional \$13.0 million in user fees, for a total of \$455.5 million in authorized spending. The request in direct funding represents a \$40.5 million decrease (-8.4%) from the FY2017 enacted amount (\$483.0 million).

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>.

Policymakers might consider several issues when debating FY2018 appropriations for ITA, including

- whether to increase ITA's trade enforcement and compliance efforts, especially on its antidumping and countervailing duty investigations for the benefit of small and medium sized enterprises;
- whether to close a number of ITA's smaller international posts and U.S. Export Assistance Centers and reduce locally-employed staff by approximately 100 positions; and
- whether to eliminate discretionary appropriations that fund ITA's Survey of International Air Travelers and fund it through alternative means.

Global Markets Unit

ITA's Global Markets unit combines country and regional experts, both overseas and domestically, and oversees 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 market barriers, and leading efforts that advocate for U.S. firms with foreign governments. It also promotes 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 FY2018, ITA requests \$283.79 million for the Global Markets unit, a decrease of \$50.61 million (19.5%) from the FY2017 amounts.⁶

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 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 federal government on trade and investment promotion. It administers programs that support small and medium-sized enterprises, such as the Market Development Cooperator Program.

For FY2018, ITA requests \$49.7 million for the Industry and Analysis unit, a decrease of \$11.8 million (19.1%) from the FY2017 amounts.⁷

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 is responsible for enforcing U.S.

⁶ ITA, *Budget Estimates for Fiscal Year 2018*, p. 45. The Administration formulated its FY2018 budget request using the FY2017 annualized appropriation under the Continuing Resolution (P.L. 114-223 and P.L. 114-254). This means that requested program increases were considered relative to the FY2017 annualized appropriation and not the FY2017-enacted appropriation (P.L. 115-31).

⁷ *Ibid.*, p. 19.

antidumping and countervailing duty laws; overseeing a variety of programs and policies regarding the enforcement and administration of U.S. trade remedy laws and assisting U.S. industry and businesses with unfair trade matters; and administering the Foreign Trade Zone program and other U.S. import programs.

For FY2018, ITA requests \$88.5 million for Enforcement and Compliance, an increase of \$5.0 million (6.0%) over the FY2017 amounts.⁸

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.”⁹ USITC investigates the effects of dumped and subsidized imports on domestic industries, conducts global safeguard investigations, and adjudicates disputes involving imported goods that allegedly infringe U.S. intellectual property rights. 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.

The Administration requests \$87.6 million for the USITC for FY2018, an amount that is \$3.9 million less (-4.3%) than the FY2017-enacted amount (\$91.5 million).

One issue policymakers might consider when debating FY2018 appropriations for USITC is whether to replenish resources for USITC that were used to fund the implementation of the American Manufacturing Competitiveness Act of 2016 and increase staffing levels in the Office of Operations.

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.¹⁰

The Administration requests \$57.6 million for USTR for FY2018, a decrease of \$4.4 million (-7.1%) compared to the FY2017-enacted amount (\$62.0 million).¹¹

⁸ Ibid., p. 29.

⁹ USITC, *About the USITC*, <http://www.usitc.gov>.

¹⁰ USTR, *About USTR*, <http://www.ustr.gov>.

¹¹ Executive Office of the President, USTR, *Congressional Budget Submission*, May 2017, p. 6.

Policymakers might consider whether to increase USTR's efforts to monitor compliance by foreign governments with U.S. trade policy commitments when they are deciding on FY2018 appropriations for USTR.

Selected Trade-Related Programs and Activities

Over the past decade, Congress has provided funding for specific trade-related programs, 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 in 2012 and superseded by the Interagency Center on Trade Implementation, Monitoring, and Enforcement (ICTIME) in 2016.¹²

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 has been 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.¹³

The Administration did not request specific funding for China trade enforcement efforts for FY2018. Congress provided \$16.4 million for China antidumping and countervailing duty enforcement and compliance activities for FY2017.

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 requests \$8.1 million for FY2018 to continue the SelectUSA program, a decrease of \$1.9 million from the FY2017 funding amount of \$10.0 million.¹⁴

Interagency Trade Enforcement Center (ITEC)/Implementation, Monitoring, and Enforcement (ICTIME)

On February 28, 2012, President Barack Obama signed Executive Order 13601 establishing the Interagency Trade Enforcement Center (ITEC) to advance U.S. foreign trade policy through strengthened and coordinated enforcement of U.S. trade rights under international trade

¹² P.L. 114-125, *Trade Facilitation and Trade Enforcement Act of 2015*

¹³ House Committee Report 111-149, *Commerce, Justice, Science, and Related Agencies Appropriations Bill, 2010*, pp. 10-11.

¹⁴ ITA, *Budget Estimates for Fiscal Year 2018*, p. 43.

agreements and enforcement of U.S. trade laws.¹⁵ In 2016, Congress codified the interagency approach to trade enforcement by permanently establishing in USTR the Interagency Center on Trade Implementation, Monitoring, and Enforcement (ICTIME) under the Trade Facilitation and Trade Enforcement Act of 2015 (P.L. 114-125), signed by the President in February 2016.¹⁶

The 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 ICTIME is led by a Director designated by USTR. It investigates potential disputes under the auspices of the World Trade Organization, inspects potential disputes pursuant to bilateral and regional trade agreements to which the United States is a party, and carries out the functions of USTR with respect to the monitoring and enforcement of trade agreements to which the United States is a party. USTR and ITA work closely within the ICTIME to identify issues and develop information in areas of economic importance to U.S. industries. The ITEC received its funding through ITA; funding for the ICTIME is now appropriated through USTR.¹⁸

The FY2018 budget request for the ICTIME is \$13.6 million, an increase of \$1.5 million over the FY2017 funding amount.¹⁹ The FY2017 budget request for the ICTIME was \$12.1 million, an increase of \$3.1 million over the FY2016 funding amount.²⁰

An issue policymakers might consider when debating FY2018 appropriations for monitoring and enforcing trade agreements is how to determine or quantify the resources agencies expended on such activities. A 2017 report by the Government Accountability Office (GAO) determined that the 11 U.S. agency offices and bureaus responsible for monitoring and enforcing trade agreements were not able to definitively count the staff and resources dedicated for carrying out that responsibility.²¹

¹⁵ Executive Order 13601, “Establishment of the Interagency Trade Enforcement Center,” vol. 77 (Washington: GPO, 2012).

¹⁶ Ambassador Michael Froman, *Trade, Growth, and Jobs, U.S. Trade Policy in the Obama Administration*, Executive Office of the President of the United States, Cabinet Exit Memo, Washington, DC, January 7, 2017.

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

¹⁸ U.S. Congress, Senate Committee on Appropriations, Subcommittee on Commerce, Justice, Science, and Related Agencies, *Departments of Commerce and Justice, and Science, and Related Agencies Appropriations Bill, 2017*, 114th Cong., 2nd sess., April 21, 2016, Report 114-25 (Washington: GPO, 2016), p. 9.

¹⁹ Office of the United States Trade Representative, *Fiscal Year 2018 Budget*, p. 8.

²⁰ Office of the United States Trade Representative, *Fiscal Year 2017 Budget*, p.17, and ITA, *Budget Estimates for FY2016*, p. 40.

²¹ U.S. Government Accountability Office, *Trade Enforcement, Information on U.S. Agencies’ Monitoring and Enforcement Resources for International Trade Agreements*, GAO-17-399, April 2017, pp. 11-12.

Appendix. Budget Authority Tables

Table A-1. Budget Authority for ITA by Unit: FY2007-FY2017
(\$ in millions)

	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Manufacturing and Services	47.1	40.5	48.6	49.5	48.9	46.5	42.3	—	—	—	—
Market Access and Compliance	41.6	41.4	42.3	43.2	42.6	42.6	39.9	—	—	—	—
Import Administration	59.8	62.7	66.4	68.3	67.4	69.8	70.9	—	—	—	—
Trade Promotion and the U.S. & Foreign Commercial Service	223.7	235.4	237.7	258.4	254.9	269.8	261.7	—	—	—	—
Industry and Analysis	—	—	—	—	—	—	—	54.9	55.5	56.3	—
Enforcement and Compliance	—	—	—	—	—	—	—	70.6	71.6	79.0	—
Global Markets	—	—	—	—	—	—	—	312.0	311.8	324.4	—
Executive and Administration	25.7	25.1	25.4	27.3	26.9	26.9	23.7	23.1	23.1	23.3	—
Total ITA	397.8	405.2	420.4	446.8	440.7	455.6	438.5	460.6	462.0	483.0	483.0

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: FY2007-FY2017
(\$ in millions)

	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
USITC	62.0	68.4	75.1	81.9	81.7	80.0	78.9	83.0	84.5	88.5	91.5
USTR	44.2	44.1	47.3	47.8	47.7	51.3	47.6	52.6	54.3	54.5	62.0

Source: 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. The FY2016-enacted amounts were taken from the text of P.L. 114-113 (pp. 2321-2322) and the FY2017-enacted amounts were taken from the text of P.L. 115-31 (pp. 84-85).

Note: FY2013 appropriations include sequestration.

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

	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Office of China Compliance (ITA)	\$3.0	\$5.9	\$7.0	\$7.0	\$3.0	\$7.0	—	—	—	—	—
China Countervailing Duty Group (ITA)	\$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	\$16.4	\$16.4
Select USA (ITA)	—	—	—	—	—	\$0.9	\$0.9	\$7.0	\$10.0	\$10.0	\$10.0
ITEC/ICTIME (ITA and USTR)	—	—	—	—	—	\$3.2	\$6.3	\$7.5	\$9.0	\$9.0	\$12.1

Sources: 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, P.L. 114-113, P.L. 115-31, and ITA Budget office.

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