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# Trade Related Agencies: FY2019 Appropriations, Commerce, Justice, Science and Related Agencies (CJS)

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# Trade Related Agencies: FY2019 Appropriations, Commerce, Justice, Science and Related Agencies (CJS)

The Consolidated Appropriations Act, 2019 (P.L. 116-6), was signed into law on February 15, 2019. The act included a total of \$647.0 million in funding for three trade-related agencies under the Commerce, Justice, Science and Related Agencies (CJS) account—the International Trade Administration (ITA), the U.S. International Trade Commission (USITC), and the office of the United States Trade Representative (USTR). This represents a 0.2% decrease from FY2018 appropriations. For FY2019, the Consolidated Appropriations Act, 2019, included \$484.0 million in direct appropriations for ITA (a 0.4% increase from the FY2018 appropriation), \$95.0 million in funding for USITC (a 1.4% increase), and a total of \$68.0 million for USTR (a 0.2% decrease).

## *The Administration's Request*

On February 12, 2018, the Trump Administration submitted its FY2019 budget request to Congress. The FY2019 proposal included a total of \$590.8 million for the three CJS trade-related agencies, an 8.9% decrease from FY2018 total appropriated amounts for these agencies. The Administration requested reducing funding for all three trade-related agencies. For FY2019, the request included \$440.1 million in direct funding for ITA (an 8.7% decrease from the FY2018 appropriation), \$87.6 million for USITC (a 6.5% decrease), and \$63.0 million for USTR (a 13.2% decrease).

## *Congressional Actions*

In the spring of 2018, the House and Senate reported FY2019 CJS appropriations bills, which included proposed funding for ITA, USITC, and USTR. The reported bills did not adopt many of the Administration's budget reductions, and instead proposed funding levels that were more similar to the FY2018-enacted amounts.

The House Committee on Appropriations reported H.R. 5952 on May 17, 2018. The House proposal recommended a total of \$647.6 million for the three CJS trade-related agencies. This proposal was \$56.8 million more (9.6%) than the Administration's request, and \$0.7 million less (-0.1%) than the FY2018-enacted legislation. The House committee proposed \$480.0 million in direct funding for ITA, \$95.0 million for USITC, and a total of \$72.6 million for USTR, comprised of \$57.6 million for salaries and expenses and an additional \$15.0 million from the Trade Enforcement Trust Fund for trade enforcement activities as authorized by the Trade Facilitation and Trade Enforcement Act of 2015 (P.L. 114-125).

The Senate Committee on Appropriations reported S. 3072 on June 14, 2018. The Senate committee-reported proposal recommended a total of \$655.6 million for the three CJS trade-related agencies. This is \$64.8 million (11.0%) more than the Administration's request and \$7.3 million (1.1%) more than the FY2018-enacted appropriations. The Senate committee proposed \$488.0 million in direct funding for ITA, \$95 million for USITC, and a total of \$72.6 million for USTR, comprised of \$57.6 million for salaries and expenses and an additional \$15.0 million from the Trade Enforcement Trust Fund for trade enforcement activities.

After three continuing resolutions and a three-week lapse in funding, Congress passed the Consolidated Appropriations Act, 2019 (P.L. 116-6), which was signed into law on February 15, 2019. The act included a total of \$647.0 million in funding for the three trade-related agencies, which represented a 0.2% decrease from FY2018 funding levels.

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## Introduction

This report provides an overview of the FY2019 budget request and 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.<sup>1</sup> This report also provides a review of these trade agencies' programs.

When comparing the Administration's FY2019 request with FY2018 funding, one may want to consider that the Administration formulated its FY2019 budget request before full-year appropriations for FY2018 were enacted. In this report, FY2018 funding levels reflect the amounts appropriated in the Consolidated Appropriations Act, 2018 (P.L. 115-141), enacted on March 23, 2018.

The Consolidated Appropriations Act, 2018, provided \$482.0 million in direct funding for ITA,<sup>2</sup> \$93.7 million for USITC, and a total of \$72.6 million for USTR<sup>3</sup> for FY2018. The FY2018 appropriation for the three CJS trade-related agencies totaled \$648.3 million.

The Consolidated Appropriations Act, 2019, provided \$484.0 million in direct appropriations for ITA,<sup>4</sup> \$95.0 million in funding for USITC, and a total of \$68.0 million for USTR.<sup>5</sup> The FY2019 appropriations for three CJS trade-related agencies totaled \$647.0 million, a 0.2% decrease from FY2018 appropriations.

See the **Appendix** for enacted budget authority for the trade-related agencies for FY2009-FY2019.

## The Administration's FY2019 Budget Request

The President submitted his FY2019 budget request to Congress on February 12, 2018. In it, the Administration requested a total of \$590.8 million for the three CJS trade-related agencies (see **Table 1**). This request represented an 8.9% decrease in funding from the FY2018 appropriated amount. The request included reduced funding for all three trade agencies: \$440.1 million in direct funding for ITA (an 8.7% decrease from the FY2018 appropriation), \$87.6 million for USITC (a 6.5% decrease), and \$63.0 million for USTR (a 13.2% decrease).<sup>6</sup>

Despite the proposed overall decrease in funding for CJS trade-related agencies, the Administration proposed increasing some trade enforcement activities within ITA and USTR. For ITA, the Administration proposed increasing trade enforcement activities while reducing funding for certain export promotion activities. For USTR, the Administration requested funds to increase

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<sup>1</sup> For more information on the full CJS appropriations, see CRS Report R45237, *Overview of FY2019 Appropriations for Commerce, Justice, Science, and Related Agencies (CJS)*, by Nathan James.

<sup>2</sup> 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 a CJS appropriations act.

<sup>3</sup> USTR's total FY2018 funding included \$57.6 for salaries and expenses and \$15.0 million to be drawn from the Trade Enforcement Trust Fund for certain authorized activities.

<sup>4</sup> See footnote 2

<sup>5</sup> USTR's FY2019 funding included \$53.0 million for salaries and expenses, and an additional \$15.0 million to be drawn from the Trade Enforcement Trust Fund for certain authorized activities.

<sup>6</sup> The Administration requested \$63.0 million for USTR for salaries and expenses and no funding for USTR's trade enforcement and compliance activities through the Trade Enforcement Trust Fund.

staffing; however, the request did not include a request for funding to be drawn from the Trade Enforcement Trust Fund. (For a description of the “Trade Enforcement Trust Fund,” see section below.) The President’s budget did not provide a rationale for requesting a decrease in funding for USITC.<sup>7</sup> A more detailed overview of these agencies’ FY2019 budget requests is provided below.

## Congressional Actions

The House and Senate Appropriations Committees reported their CJS appropriation bills in the spring of 2018. Both committees largely declined the budget cuts requested by the Administration for these three trade agencies. (See **Table 1**.)

The House Committee on Appropriations reported H.R. 5952 on May 17, 2018. The House committee bill included a total of \$647.6 million for the three trade-related agencies, which was \$56.8 million more (9.6%) than the Administration’s request and \$0.7 million less (-0.1%) than the FY2018-enacted amount. The House committee recommended \$480.0 million in direct funding for ITA, \$95.0 million for USTIC, and a total of \$72.6 million for USTR.<sup>8</sup>

The Senate Committee on Appropriations reported S. 3072 on June 14, 2018. The Senate bill included a total of \$655.6 million for the three agencies, which was \$64.8 million (11.0%) more than the Administration’s request and \$7.3 million (1.1%) more than the FY2018-enacted appropriation. The Senate committee recommended \$488.0 million in direct funding for ITA, \$95.0 million for USITC, and a total of \$72.6 million for USTR.<sup>9</sup>

Through February 15, 2019, the CJS trade-related agencies operated under continuing resolutions (CR)—with the exception of a three-week lapse in funding when agencies halted most operations.<sup>10</sup>

Congress passed final FY2019 appropriations in the Consolidated Appropriations Act, 2019 (P.L. 116-6), which was signed into law on February 15, 2019. The act included a total of \$647.0 million in funding for the three trade-related agencies—a 0.2% decrease from FY2018 appropriations. For FY2019, the Consolidated Appropriations Act, 2019, included \$484.0 million in direct appropriations for ITA (a 0.4% increase from the FY2018 appropriation), \$95.0 million in funding for USITC (a 1.4% increase), and a total of \$68.0 million for USTR (a 0.2% decrease).

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<sup>7</sup> As noted in the USITC section of this report, USITC has bypass authority to submit its budget directly to Congress without revisions by the President. While the President’s budget requested \$87.6 million for USITC, the Commission’s budget submission requested \$97.5 million for FY2019.

<sup>8</sup> The House and Senate committees’ total proposals for USTR included \$57.6 million for salaries and expenses and an additional \$15.0 million to be drawn from the Trade Enforcement Trust Fund, for trade enforcement activities authorized in Section 611 of the Trade Facilitation and Trade Enforcement Act of 2015.

<sup>9</sup> *Ibid.*

<sup>10</sup> Division C of P.L. 115-245 continued funding for these agencies (among others) at a prorated 2018 funding level through December 7, 2018; P.L. 115-298 extended the CR through December 21, 2018; after a three-week lapse in funding for these agencies, P.L. 116-5 extended the CR through February 15, 2019. For part of the lapse in appropriations, USTR used existing funds to continue many operations.

**Table I. Appropriations for CJS Trade-Related Agencies, FY2017-FY2019**  
(\$ in Millions)

CJS Trade-Related Agency	FY2017 Enacted	FY2018 Enacted	FY2019			
			Request	House reported (H.R. 5952)	Senate reported (S. 3072)	FY2019 Enacted
International Trade Administration (ITA) <sup>a</sup>	\$483.0	\$482.0	\$440.1	\$480.0	\$488.0	\$484.0
U.S. International Trade Commission (USITC)	\$91.5	\$93.7	\$87.6	\$95.0	\$95.0	\$95.0
Office of the U.S. Trade Representative (USTR) <sup>b</sup>	\$77.0	\$72.6	\$63.0	\$72.6	\$72.6	\$68.0
<b>Total</b>	<b>\$651.5</b>	<b>\$648.3</b>	<b>\$590.8</b>	<b>\$647.6</b>	<b>\$655.6</b>	<b>\$647.0</b>

**Source:** For FY2017, see P.L. 115-31; for FY2018, see P.L. 115-141; for FY2019, see House and Senate proposals H.R. 5952 and S. 3072, and enacted amounts in P.L. 116-6; for FY2019 request, see the appendix tables of the President's FY2019 Budget.

**Notes:** Totals may not sum due to rounding.

- a. In addition to the enacted and proposed amount listed above, ITA's budget authority includes a portion to be derived from user fees. In FY2017 ITA's available funds were \$495.0 million, including \$12.0 million in user fees. In FY2018 ITA's available funds were \$495.0 million, including \$13.0 million in user fees. For FY2019, the Administration's request, the House and Senate proposals, and the enacted amount include an additional \$11.0 million in user fees, which would raise available funds to \$451.1 million, \$491.0 million, \$499.0 million, and \$495.0 million, respectively.
- b. USTR appropriations listed above include funds to be drawn from the Trade Enforcement Trust Fund.

## International Trade Administration (ITA)

Within the Department of Commerce, 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 enforce and ensure compliance with trade laws and 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 units into three more functionally aligned units: (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. (Table A-1 shows budget amounts for ITA by unit between FY2009 and FY2019.)

For FY2019, the Administration requested \$440.1 million for ITA in direct funding, with an additional \$11.0 million to be collected in user fees, for a total of \$451.1 million in authorized spending. The request for direct funding represents a \$41.9 million decrease (-8.7%) from the FY2018-enacted amount (\$482.0 million).

According to ITA's budget justification, the Administration proposed increasing ITA's enforcement and compliance efforts in FY2019, while deemphasizing other initiatives, such as

export promotion. The Administration specifically proposed closing some domestic and international offices of the United States and Foreign Commercial Service (US&FCS).<sup>11</sup>

The House committee-reported H.R. 5952 proposed \$480.0 million for ITA in direct funding, with an additional \$11.0 million to be collected from user fees, for a total of \$491.0 million in authorized spending. The amount in direct funding proposed by the House Committee on Appropriations was \$39.9 million (9.1%) more than the Administration's request and \$2.0 million less (-0.4%) than the FY2018-enacted amount.

The Senate committee-reported S. 3072 included \$488.0 million in direct funding for ITA, with an additional \$11.0 million in user fees, for a total of \$499.0 million in authorized spending. The amount in direct funding proposed by the Senate Committee on Appropriations was \$47.9 million (10.9%) more than the Administration's request and \$6.0 million (1.2%) more than the FY2018-enacted amount.

The Consolidated Appropriations Act, 2019 (P.L. 116-6) provided \$484.0 million in direct appropriations for ITA, with an additional \$11.0 million to be collected in user fees, for a total of \$495.0 in authorized spending. The act provided \$2 million more (0.4%) in direct appropriations for ITA than the FY2018-enacted amount and \$43.9 million more (10.0%) than the Administration's request.

## Global Markets Unit

ITA's Global Markets (GM) unit is a combination of the United States and Foreign Commercial Service (US&FCS) unit, a program that provides export promotion services to U.S. businesses, and SelectUSA, a program that works to attract foreign investment into the United States. Through US&FCS, GM promotes U.S. exports by helping U.S. exporters research foreign markets and identify opportunities abroad. GM's country and regional experts—in domestic and overseas offices—help to advise U.S. companies on market access, local standards, and regulations. The unit also helps to make connections through business-to-business trade shows, fairs, and missions. GM 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. Through its SelectUSA program, the GM unit also promotes the United States as a destination for foreign investment. (For more on SelectUSA, see section below, "SelectUSA Program.")

For FY2019, the Administration proposed reducing funding for the Global Markets unit. The Administration requested \$276.5 million for Global Markets in direct funding, a 13.4% decrease from the FY2018-enacted appropriation.<sup>12</sup> In its FY2019 budget submission, ITA proposed "rescaling export promotion" activities in the GM unit by reducing staff and its domestic and overseas offices, with a total reduction of 133 positions.<sup>13</sup> The budget submission did not indicate how many or which domestic and overseas offices it was proposing to close.

The House and Senate Appropriation Committees did not adopt the proposed cuts.

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<sup>11</sup> U.S. International Trade Administration, *Budget Estimates Fiscal Year 2019, Congressional Submission*, pp. ITA-6, ITA-20, and ITA-57, (hereinafter, ITA FY2019 *Budget Estimates*).

<sup>12</sup> The committee did not provide an exact figure for Global Markets for FY2018 appropriations; however, in the explanatory statement accompanying the FY2018 omnibus, the committee explained that it was providing "no less than the fiscal year 2017 amount for Global Markets." To calculate the percentage change, CRS used the FY2017 actual budget authority (\$319.2 million) listed in ITA's budget documents.

<sup>13</sup> U.S. International Trade Administration, *Budget Estimates Fiscal Year 2019, Congressional Submission*, p. ITA-57.



The House Appropriations Committee recommended \$319.0 million for the Global Markets unit for FY2019. This was \$42.5 million (15.4%) more than the Administration's request. According to the committee report, "the recommendation does not adopt the proposal to reduce U.S. and Foreign Commercial Service staff or close overseas offices or U.S. Export Assistance Centers."<sup>14</sup>

The Senate Appropriations Committee report did not provide an exact funding amount, but recommended that ITA "fund US&FCS, and its core mission of export promotion, at the highest possible level in fiscal year 2019, and at no less than the amount provided in fiscal year 2018."<sup>15</sup> Like the House committee, the Senate committee did not adopt the Administration's proposal to close offices. The Senate committee report specifically noted, "No offices shall be closed in fiscal year 2019 unless the Committee approves a reprogramming request to close such office or offices. Additionally, the Committee will not approve requests to close any domestic offices, called U.S. Export Assistance Centers, if such Center is the only one located in a given State."<sup>16</sup>

According to the conference report accompanying the Consolidated Appropriations Act, 2019 (P.L. 116-6), the final agreement for FY2019 appropriations included "no less than \$320 million" in funding for Global Markets and required ITA to report quarterly to the Committees on staffing levels within the US&FCS.<sup>17</sup>

## 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 FY2019, the Administration requested \$52.3 million for Industry and Analysis. The request is \$3.4 million less than the FY2018 funding level.<sup>18</sup> The Administration proposed refocusing some of the unit's priorities away from export promotion and toward trade enforcement. Specifically, the Administration proposed reducing activities related to trade missions, the International Buyer Program, and certified trade fairs, and eliminating Market Development Cooperator Program grants.<sup>19</sup>

The House committee proposed \$52.0 million for Industry and Analysis. This represented \$0.3 million less (-0.5%) than the Administration's request.

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<sup>14</sup> U.S. Congress, House Committee on Appropriations, "Commerce, Justice, Science, and Related Agencies Appropriation Bill, 2019" to accompany H.R. 5952; 115<sup>th</sup> Cong. 2<sup>nd</sup> sess., H.Rept. 115-704, p. 6. (Hereinafter, H.Rept. 115-704).

<sup>15</sup> U.S. Congress, Senate Committee on Appropriations, "Departments of Commerce, Justice, Science, and Related Agencies Appropriation Bill, 2019," to accompany S. 3072; 115<sup>th</sup> Cong., 2<sup>nd</sup> sess., S.Rept. 115-275, p. 10. (Hereinafter, S.Rept. 115-275).

<sup>16</sup> Ibid.

<sup>17</sup> U.S. Congress, "Conference Report to accompany H.J.Res. 31," 116<sup>th</sup> Cong., 1<sup>st</sup> sess., H.Rept. 116-9, p. 609. (Hereinafter, S.Rept. 115-275).

<sup>18</sup> Based on an annualized sum of the continuing resolution in FY2018.

<sup>19</sup> ITA FY2019 *Budget Estimates*, p. ITA-20.



The Senate committee-reported bill did not include a specific recommendation for Industry and Analysis.

The Consolidated Appropriations Act, 2019 (P.L. 116-6), did not provide an exact funding guidance for Industry and Analysis.

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

For FY2019, the Administration requested \$90.6 million for the Enforcement and Compliance unit, an increase of \$3.1 million (3.6%) from the FY2018-enacted amount. For the requested increase in funding, ITA cited the unit's increasing number of AD/CVD investigations, its new focus on self-initiating AD/CVD cases,<sup>20</sup> and the increased workload due to the tariffs and investigations initiated through Section 232 of the Trade Expansion Act of 1962.<sup>21</sup>

The House Appropriations Committee proposed \$85.5 million for Enforcement and Compliance. The House committee proposal represented \$2.1 million less (-2.3%) than the Administration's request, and \$1.0 million (1.1%) more than the FY2018-enacted amount.<sup>22</sup>

The Senate Committee on Appropriations recommended \$91.5 million for Enforcement and Compliance. The Senate recommendation represented \$0.9 million more than the Administration's request and \$4.0 million more than the 2018-enacted amount.<sup>23</sup> The Senate committee report noted that the committee was supportive of the Administration's request to self-initiate AD/CVD cases.<sup>24</sup>

For FY2019 appropriations, the conference report accompanying the Consolidated Appropriations Act, 2019 (P.L. 116-6), included \$88.5 million for Enforcement and Compliance.<sup>25</sup> This amount

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<sup>20</sup> In most cases, an industry or company that believes it is being injured by imports of dumped or subsidized goods petitions Commerce to initiate an AD/CVD investigation. "Self-initiation" is the process whereby the Commerce Department can determine that a formal investigation is justified based on information that domestic industry is being injured by dumped or subsidized goods. According to ITA, "in FY2018, [Enforcement and Compliance unit] used its self-initiation authority for the first time in nearly a quarter-century to initiate AD and CVD investigations of aluminum sheet from the People's Republic of China" (ITA FY2019 *Budget Estimates*, p. ITA-39).

<sup>21</sup> ITA FY2019 *Budget Estimates*, p. ITA-34-40. On March 8, 2018, the President announced tariffs on imports of steel and aluminum after Department of Commerce investigations determined that current imports threaten to impair national security. In 2018, Commerce announced two additional investigations into uranium imports and imports of autos and auto parts. Such investigations are carried out pursuant to Section 232 of the Trade Expansion Act of 1962 (19 U.S.C. §1862, as amended), sometimes called the "national security clause." For more information on Section 232, see CRS Report R45249, *Section 232 Investigations: Overview and Issues for Congress*, coordinated by Rachel F. Fefer and Vivian C. Jones.

<sup>22</sup> The FY2018 committee recommendations for Enforcement and Compliance are noted in the committee print accompanying the omnibus bill. See U.S. Congress, House Committee on Appropriations, *Consolidated Appropriations Act, 2018, Legislative Text and Explanatory Statement (Book 1)*, committee print accompanying H.R. 1625, 115<sup>th</sup> Cong. 2<sup>nd</sup> sess., p. 172.

<sup>23</sup> See footnote 22.

<sup>24</sup> S.Rept. 115-275, p. 9.

<sup>25</sup> H.Rept. 116-9, p. 609.

was \$1.0 million more (1.1%) than the FY2018 funding,<sup>26</sup> and \$2.1 million less (-2.1%) than the Administration's request.

## U.S. International Trade Commission (USITC)

USITC is an independent, quasi-judicial agency responsible for conducting trade-related investigations and providing independent technical advice related to U.S. international trade policy to Congress, the President, and the USTR. The commission (1) investigates and determines whether imports injure a domestic industry or violate U.S. intellectual property rights; (2) provides independent tariff, trade, and competitiveness-related analysis to the President and Congress; and (3) maintains the U.S. tariff schedule. USITC also serves as a federal resource for trade data and other trade policy information. It makes most of its information and analyses available to the public to promote understanding of competitiveness, international trade issues, and the role that international trade plays in the U.S. economy.

In addition to the President's budget request for the commission, USITC also has bypass authority to submit its budget directly to Congress without revision by the President, pursuant to Section 175 of the Trade Act of 1975.

For FY2019, the President requested \$87.6 million for USITC, which represented a \$6.1 million decrease (-6.5%) from the FY2018-enacted amount (\$93.7 million). While the President requested a decrease in funding for USITC, the commission's independent budget submission—sent directly to Congress without revision by the President—requested \$97.5 million for FY2019, an increase of \$3.8 million (4.0%) from the FY2018-enacted amount. USITC cited the increasing number of import injury cases in the previous five years and projected that the caseload would increase further in FY2019.<sup>27</sup>

Both the House and Senate committee-reported bills recommended \$95.0 million for USITC. This amount was \$7.4 million (8.4%) more than the President's request and \$1.3 million (1.4%) more than the FY2018-enacted amount.

The Consolidated Appropriations Act, 2019 (P.L. 116-6), provided \$95.0 million for USITC, which was \$7.4 million (8.4%) more than the President's request and \$1.3 million (1.4%) more than the FY2018-enacted amount.

## 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.<sup>28</sup> In 2018, USTR led the negotiations for the modernization of the North

<sup>26</sup> FY2018 amount was noted in the "Explanatory Statement regarding House Amendment to Senate Amendment on H.R. 1625," March 22, 2018, in the *Congressional Record*, daily edition.

<sup>27</sup> USITC, *Budget Justification Fiscal Year 2019*, p. 7, available at [https://www.usitc.gov/documents/final-2019-usitc-budget\\_508-compliant.pdf](https://www.usitc.gov/documents/final-2019-usitc-budget_508-compliant.pdf).

<sup>28</sup> USTR, *Mission of the USTR*, available at <https://ustr.gov/about-us/about-ustr>.

American Free Trade Agreement (NAFTA) and the investigations into Chinese intellectual property practices.

In addition to direct appropriations for USTR, supplementary funding for the agency is available through the congressionally established Trade Enforcement Trust Fund. For more detail on the trust fund, see section “Trade Enforcement Trust Fund,” below.

For FY2019, the Administration requested \$63.0 million for USTR’s salaries and expenses, and no additional funding from the Trade Enforcement Trust Fund. The request represents a \$9.6 million decrease (-13.2%) from the FY2018-enacted amounts (\$72.6 million).

In the Administration’s budget request, USTR outlined the Trump Administration’s “aggressive trade agenda,” and its goals of “(1) defending U.S. national sovereignty over trade policy; (2) strictly enforcing U.S. trade laws; (3) using all possible sources of leverage to encourage other countries to open their markets to U.S. exports of goods and services, and protecting U.S. intellectual property rights; and (4) negotiating better trade deals with countries in key markets around the world.”<sup>29</sup>

Both the House and Senate committee-reported bills recommended a total of \$72.6 million for USTR for FY2019. These proposals included \$57.6 million for USTR’s salaries and expenses and \$15.0 million from the Trade Enforcement Trust Fund for enforcement activities authorized in Section 611 of the Trade Facilitation and Trade Enforcement Act of 2015 (P.L. 114-125). The total proposals were \$9.6 million (15.2%) more than the Administration’s request, and were equal to the FY2018-enacted amount.

The Consolidated Appropriations Act, 2019 (P.L. 116-6), provided a total of \$63.0 million for USTR, which included \$53.0 million in salaries and expenses for USTR and an additional \$15.0 million to be derived from the Trade Enforcement Trust Fund. The total funding was \$4.6 million less (-6.3%) than the FY2018 appropriated amount.

## Selected Trade-Related Programs and Activities

Over the past decade, Congress has provided funding for specific trade-related programs, including (1) China trade enforcement and compliance activities; (2) trade promotion and attracting foreign direct investment to the United States through ITA’s SelectUSA program; and (3) trade enforcement activities through the Trade Enforcement Trust Fund and the Interagency Center on Trade Implementation, Monitoring, and Enforcement (ICTIME, formerly the Interagency Trade Enforcement Center (ITEC)).

### China Trade Enforcement and Compliance Activities

Since 2004, Congress has dedicated some of ITA’s funding to AD/CVD enforcement and compliance activities with respect to China and other nonmarket economies. ITA’s Office of China Compliance was established by the Consolidated Appropriations Act of 2004 (P.L. 108-199). Its primary role has been to enforce U.S. AD/CVD 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

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<sup>29</sup> USTR, *Fiscal Year 2019 Budget: Congressional Budget Submission*, p. 1, available at [https://ustr.gov/sites/default/files/files/foia/FY2019\\_USTR\\_Congressional\\_Budget\\_Submission\\_Final.pdf](https://ustr.gov/sites/default/files/files/foia/FY2019_USTR_Congressional_Budget_Submission_Final.pdf).

resulted from the application of countervailing duty law to imports from nonmarket economy countries.<sup>30</sup>

The Office of China Compliance is within the Enforcement and Compliance unit at ITA. ITA's FY2019 budget justification did not provide a breakdown of funding for its China AD/CVD activities.

Both the House and Senate committee-reported bills included \$16.4 million from ITA's funding for China AD/CVD enforcement and compliance activities for FY2019.

The Consolidated Appropriations Act, 2019 (P.L. 116-6), provided \$16.4 million from ITA's funding for China AD/CVD enforcement and compliance activities for FY2019. This amount was equal to the FY2018-enacted amount.

## SelectUSA Program

SelectUSA was created in 2011 and is now part of ITA's Global Markets unit. It coordinates investment-related resources across more than 20 federal agencies to (1) promote the United States as an investment market and (2) address investor climate concerns that may impede investment in the United States. The program serves as an information resource for international investors and advocates for U.S. cities, states, and regions as investment destinations.<sup>31</sup>

ITA's budget justification did not provide a breakdown for requested funding for SelectUSA.

The House committee-reported bill did not propose a specific funding amount for SelectUSA.

The Senate committee report recommended \$10.0 million in funding for SelectUSA, an amount equal to the FY2018-enacted amount. The Senate Committee on Appropriation proposed making funding contingent on (1) SelectUSA updating its protocol to ensure that its programs did not encourage foreign investments by state-owned entities into the United States and (2) SelectUSA reporting its updated protocol to the committee within 30 days of enactment of the bill.<sup>32</sup>

According to the conference report accompanying the Consolidated Appropriations Act, 2019 (P.L. 116-6), the final agreement adopted the Senate committee report language regarding SelectUSA.

## Survey of International Air Travelers (SIAT)

ITA's Survey of International Air Travelers (SIAT) gathers statistics about air passenger travelers in the United States. These statistics are used across federal agencies, for a variety of purposes, such as to estimate the contribution of international travel to the economy, develop public policy on the travel industry, and forecast staffing needs at consulates and ports of entry.

The Administration requested \$5.0 million for FY2019 for SIAT to expand the survey and data collection. The Administration proposed that "\$5 million in fee revenues collected from the

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<sup>30</sup> U.S. Congress, Conference Committee, *Commerce, Justice, Science, and Related Agencies Appropriations Bill 2010*, conference report accompanying H.R. 2847, 111<sup>th</sup> Cong. 1<sup>st</sup> sess., H.Rept. 111-149, June 12, 2009, pp. 10-11.

<sup>31</sup> For more on SelectUSA, see CRS In Focus IF10674, *SelectUSA Program: U.S. Inbound Investment Promotion*, by Shayerah Ilias Akhtar.

<sup>32</sup> S.Rept. 115-275, p. 10.

surcharge on international travelers utilizing the Electronic System for Travel Authorization (ESTA) be redirected to fully fund the SIAT.”<sup>33</sup>

The House committee-reported bill did not include a specific recommendation for SIAT.

According to the Senate committee report, the Senate Committee on Appropriations did not adopt the Administration’s proposal to seek alternative funding sources for SIAT and “direct[ed] ITA to continue funding SIAT out of its base budget. Within funds provided, ITA [was] encouraged to increase the sample size for SIAT.”<sup>34</sup>

The Consolidated Appropriations Act, 2019 (P.L. 116-6), and the accompanying conference report did not provide specific language regarding SIAT.

## Trade Enforcement Trust Fund (TETF)

In order to provide additional funding for USTR’s trade enforcement activities, Congress established the Trade Enforcement Trust Fund (TETF) in 2016. In Section 611 of the Trade Facilitation and Trade Enforcement Act of 2015 (P.L. 114-125), Congress set up the trust fund and outlined authorized uses of the funds.<sup>35</sup> According to Section 611(d), USTR can use funds from the TETF to monitor and enforce trade agreements and WTO commitments and to support trade capacity-building assistance to help partner countries meet their free-trade agreement obligations and commitments.<sup>36</sup> USTR can also transfer funds to select federal agencies for trade enforcement activities authorized in Section 611(d) of the Trade Facilitation and Trade Enforcement Act of 2015.

For FY2019, the Administration requested no funding to be derived from the TETF; the FY2018-enacted amount was \$15.0 million.<sup>37</sup>

Both the House and Senate committee bills proposed \$15.0 million from the TETF for enforcement activities authorized in Section 611 of the Trade Facilitation and Trade Enforcement Act of 2015. These proposals were equal to the FY2018-enacted amount.

The Consolidated Appropriations Act, 2019 (P.L. 116-6), provided \$15.0 million to be derived from the TETF for USTR, for enforcement activities authorized in Section 611 of the Trade Facilitation and Trade Enforcement Act of 2015. This amount is equal to the FY2018-enacted amount.

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<sup>33</sup> ITA FY2019 *Budget Estimates*, p. ITA-79.

<sup>34</sup> S.Rept. 115-275, p. 11.

<sup>35</sup> In establishing the TETF, Congress directed the Department of Treasury to set up the fund and to transfer \$15.0 million annually into TEFT from the general fund of Treasury. The total amount in the TETF may not exceed \$30.0 million, and thus Treasury may transfer less than \$15.0 million annually, as required by this limitation. (19 U.S. Code §4405.)

<sup>36</sup> 19 U.S. Code §4405.

<sup>37</sup> According to the President’s FY2019 budget appendix, the projected balance of the Trust Fund at the end of FY2018 was estimated to be \$30.0 million, suggesting that USTR neither withdrew funds from the account in FY2017 nor expected to withdraw funds in FY2018. In July 2018, before the Senate Committee on Appropriations, U.S. Trade Representative Robert Lighthizer acknowledged TEFT funding in the House and Senate committees’ reported FY2019 bills. In response, Amb. Lighthizer said that USTR would plan to use the trust fund in FY2019 “to increase [USTR’s] capacity to address the Administration’s many trade priorities,” and that USTR would be “focused on making the best use of [FY2018 Trust Fund appropriations] in the few remaining months of FY2018.” (Senate Committee on Appropriations Subcommittee on Commerce, Justice and Science, and Related Agencies, U.S. Trade Representative Budget, hearing, 115<sup>th</sup> Cong. 2<sup>nd</sup> sess., July 26, 2018.)

## Implementation, Monitoring, and Enforcement (ICTIME, formerly the Interagency Trade Enforcement Center [ITEC])

ITEC was established by executive order in 2012 to take a “whole-of-government” approach to monitoring and enforcing U.S. trade rights by using expertise from across the federal government.<sup>38</sup> In 2016, the ITEC was succeeded by ICTIME, which Congress established through the Trade Facilitation and Trade Enforcement Act of 2015 (P.L. 114-125).<sup>39</sup> The executive-established ITEC received its funding through ITA; funding for ICTIME is now appropriated through USTR.<sup>40</sup>

ICTIME’s purpose is to advance U.S. trade policy through strengthened and coordinated enforcement of U.S. trade rights. ICTIME 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 USTR’s budget justification did not provide a breakdown for requested funding for ICTIME.

The House and Senate committee-reported bills did not include a specific funding amount for ICTIME. The Senate committee report did note that the Senate committee supports ICTIME within the funds provided for USTR.<sup>41</sup>

The Consolidated Appropriations Act, 2019 (P.L. 116-6) and the accompanying conference report also did not provide specific language regarding ICTIME.

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<sup>38</sup> ITEC was established by Executive Order 13601, which was signed by President Obama on February 28, 2012. (Executive Order 13601, “Establishment of the Interagency Trade Enforcement Center,” vol. 77 (Washington, DC: GPO, 2012)). Also see, Office of the United States Trade Representative, *Interagency Trade Enforcement Center (ITEC)*, at <https://www.ustr.gov>.

<sup>39</sup> 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.

<sup>40</sup> U.S. Congress, Senate Committee on Appropriations, Subcommittee on Commerce, Justice, Science, and Related Agencies, *Departments of Commerce and Justice, Science, and Related Agencies Appropriations Bill, 2017*, 114<sup>th</sup> Cong., 2<sup>nd</sup> sess., April 21, 2016, S.Rept. 114-239 (Washington, DC: GPO, 2016), p. 9.

<sup>41</sup> S.Rept. 115-275, p. 141.

## Appendix. Budget Authority Tables

**Table A-1. Budget Authority for ITA by Unit: FY2009-FY2019**

(\$ in millions)

	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019
Manufacturing and Services	48.6	49.5	48.9	46.5	42.3	—	—	—	—	—	—
Market Access and Compliance	42.3	43.2	42.6	42.6	39.9	—	—	—	—	—	—
Import Administration	66.4	68.3	67.4	69.8	70.9	—	—	—	—	—	—
Trade Promotion and the U.S. & Foreign Commercial Service	237.7	258.4	254.9	269.8	261.7	—	—	—	—	—	—
Industry and Analysis	—	—	—	—	—	54.9	55.5	56.3	55.4	—	—
Enforcement and Compliance	—	—	—	—	—	70.6	71.6	79.0	85.5	87.5	88.5
Global Markets	—	—	—	—	—	312.0	311.8	324.4	319.2	— <sup>a</sup>	320.0
Executive and Administration	25.4	27.3	26.9	26.9	23.7	23.1	23.1	23.3	23.0	—	—
<b>Total ITA</b>	<b>420.4</b>	<b>446.8</b>	<b>440.7</b>	<b>455.6</b>	<b>438.5</b>	<b>460.6</b>	<b>462.0</b>	<b>483.0</b>	<b>483.0</b>	<b>482.0</b>	<b>484.0</b>

**Source:** Budget office, International Trade Administration (ITA), U.S. Department of Commerce; FY2018 amounts were taken from P.L. 115-141, and U.S. Congress, House Committee on Appropriations, *Consolidated Appropriations Act, 2018, Legislative Text and Explanatory Statement*, committee print, 115<sup>th</sup> Cong., 2<sup>nd</sup> sess.; FY2019 amounts were taken from the Conference Report accompanying H.J.Res. 31, H.Rept. 116-9, 116<sup>th</sup> Cong., 1<sup>st</sup> sess.

**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.

- a. The conference agreement on the Consolidated Appropriations Act, 2018, “provides ... no less than the fiscal year 2017 amount for Global Markets.” (House Committee on Appropriations, “Consolidated Appropriations Act, 2018, Legislative Text and Explanatory Statement,” Committee Print, 115<sup>th</sup> Cong., 2<sup>nd</sup> sess., p. 172.)



**Table A-2. Budget Authority for USITC and USTR: FY2009-FY2019**

(\$ in millions)

	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019
<b>USITC</b>	75.1	81.9	81.7	80.0	78.9	83.0	84.5	88.5	91.5	93.7	95.0
<b>USTR</b>	47.3	47.8	47.7	51.3	47.6	52.6	54.3	54.5	77.0 <sup>a</sup>	72.6 <sup>a</sup>	68.0 <sup>a</sup>

**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). FY2018-enacted amounts were taken from P.L. 115-141; FY2019 amounts were taken from P.L. 116-6

**Notes:** FY2013 appropriations include sequestration.

a. USTR appropriations include \$15.0 million in funds to be drawn from the Trade Enforcement Trust Fund for FY2017, FY2018, and FY2019.

**Table A-3. Budget Authority for Selected Trade-Related Programs: FY2009-FY2019**

(\$ in millions)

	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019
Office of China Compliance (ITA)	7.0	7.0	3.0	7.0	—	—	—	—	—	—	—
China Countervailing Duty Group (ITA)	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	16.4	16.4
Select USA (ITA)	—	—	—	0.9	0.9	7.0	10.0	10.0	10.0	10.0	10.0
ITEC/ICTIME (ITA and USTR)	—	—	—	3.2	6.3	7.5	9.0	9.0	12.1	—	—

**Source:** ITA Budget office, and 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, P.L. 115-141, and U.S. Congress, House Committee on Appropriations, *Consolidated Appropriations Act, 2018, Legislative Text and Explanatory Statement (Book 1)*, committee print accompanying H.R. 1625, 115<sup>th</sup> Cong. 2<sup>nd</sup> sess.; FY2019 amounts were taken from P.L. 116-6 and H.Rept. 116-9 (the Conference Report accompanying H.J.Res. 31, 116<sup>th</sup> Cong., 1<sup>st</sup> sess).

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