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

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SUMMARY

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On February 12, 2018, the Trump Administration submitted its FY2019 budget request to Congress. The proposal includes a total of $590.8 million for three trade-related agencies— the International Trade Administration (ITA), the U.S. International Trade Commission (USITC), and the office of the United States Trade Representative (USTR). This is 8.9% less than the FY2018 total appropriated amounts for these agencies. The Administration requests reducing funding for all three trade-related agencies. For FY2019, the request includes $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 Commerce, Justice, Science, and Related Agencies (CJS) appropriations bills, which include proposed funding for ITA, USITC, and USTR. The reported bills do not adopt many of the Administration's budget reductions, and instead propose funding levels that are more similar to the FY2018-enacted amounts.

The House Committee on Appropriations reported H.R. 5952 on May 17, 2018. The House proposal recommends a total of $647.6 million for the three CJS trade-related agencies. This proposal is $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 proposes $480.0 million in direct funding for ITA, $95.0 million for USTIC, and a total of $72.6 million for USTR, comprised of $57.6 million for salaries and expenses and an additional $15 million from the Trade Enforcement Trust Fund.

The Senate Committee on Appropriations reported S. 3072 on June 14, 2018. The Senate committee-reported proposal recommends 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 proposes $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 million from the Trade Enforcement Trust Fund.

Congress enacted two continuing resolutions (P.L. 115-245, Division C; P.L. 115-298) to provide funding at a prorated 2018 funding level through December 21, 2018.

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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 act.[1] This report also provides a review of these agencies' trade-related programs.

When comparing the Administration's FY2019 request with FY2018 funding, it should be considered 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,[2] $93.7 million for USTIC, and a total of $72.6 million for USTR[3] for FY2018. The FY2018 appropriation for the three CJS trade-related agencies totaled $648.3 million. See the **Appendix** for enacted budget authority for the trade-related agencies for FY2008-FY2018.

The Administration's FY2019 Budget Request

The President submitted his FY2019 budget request to Congress on February 12, 2018. In it, the Administration requests a total of $590.8 million for FY2019 for the three CJS trade-related agencies, an amount that is 8.9% less than the FY2018 appropriated amount. The request includes 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).[4]

Despite the proposed overall decrease in funding for CJS trade-related agencies, the Administration proposes to increase some trade enforcement activities within ITA and USTR. For ITA, the Administration proposes to increase trade enforcement activities while reducing funding for certain export promotion activities. For USTR, the Administration requests funds to increase staffing; however, the request does not include additional funding for the Trade Enforcement Trust Fund. The President's budget does not provide a rationale for requesting a decrease in funding for USITC.[5] A more detailed overview of these agencies' FY2019 budget requests is provided below.

[1] 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 (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.

[3] USTR's total funding includes $57.6 for salaries and expenses and $15.0 million to be drawn from the Trade Enforcement Trust Fund for certain authorized activities.

[4] 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.

[5] 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 requests $97.5 million for FY2019.

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.

The House Committee on Appropriations reported H.R. 5952 on May 17, 2018. The House committee bill includes a total of $647.6 million for the three trade-related agencies, which is $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 recommends $480.0 million in direct funding for ITA, $95.0 million for USTIC, and a total of $72.6 million for USTR.[6]

The Senate Committee on Appropriations reported S. 3072 on June 14, 2018. The Senate bill includes a total of $655.6 million for the three agencies, which is $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 recommends $488.0 million in direct funding for ITA, $95.0 million for USITC, and a total of $72.6 million for USTR.[7]

Congress enacted multiple continuing resolutions (CRs) to continue funding for these agencies (among others) at a prorated 2018 funding level through December 21, 2018.[8]

Table 1. Appropriations for CJS Trade-Related Agencies, FY2016-FY2019

CJS Trade-Related Agency	FY2016 Enacted	FY2017 Enacted	FY2018 Enacted	FY2019 Request	FY2019 House reported (H.R. 5952)	FY2019 Senate reported (S. 3072)
International Trade Administration[a]	$483.0	$483.0	$482.0	$440.1	$480.0	$488.0
U.S. International Trade Commission	$88.5	$91.5	$93.7	$87.6	$95.0	$95.0
Office of the U.S. Trade Representative (USTR)[b]	$54.5	$77.0	$72.6	$63.0	$72.6	$72.6
Total	**$626.0**	**$651.5**	**$648.3**	**$590.8**	**$647.6**	**$655.6**

Source: For FY2016, see P.L. 114-113 and the joint explanatory statement, printed in the December 17, 2015, *Congressional Record* (pp. H9732-H9759); for FY2017, see P.L. 115-31; for FY2018, see P.L. 115-141; for FY2019 House and Senate proposals, see H.R. 5952 and S. 3072; 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 FY2016 ITA's available funds were $493.0 million, including $10.0 million in 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 and the House and Senate proposals include an additional $11.0 million in user fees, which would raise available funds to $451.1 million, $491.0 million, and $499.0 million, respectively.

[6] The House and Senate committees' total proposals for USTR include $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.

[7] Ibid.

[8] P.L. 115-245, Division C 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.

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 FY2008 and FY2018.)

For FY2019, the Administration requests $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 intends to increase ITA's enforcement and compliance efforts in FY2019, while deemphasizing other initiatives, such as export promotion. The Administration specifically proposes closing some domestic and international offices of the United States and Foreign Commercial Service (US&FCS).[9]

The House committee-reported H.R. 5952 would provide $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 is $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 includes $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 is $47.9 million (10.9%) more than the Administration's request, and $6.0 million (1.2%) more than the FY2018-enacted amount.

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

[9] ITA Budget Estimates FY2019, pp. ITA-6, ITA-20, and ITA-57.

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.")[10]

For FY2019, the Administration proposes reducing funding for the Global Markets unit. The Administration requests $276.5 million for Global Markets in direct funding, a 13.4% decrease from the FY2018-enacted appropriation.[11] In its FY2019 budget submission, ITA proposes "rescaling export promotion" activities in the GM unit by reducing staff and its domestic and overseas offices, with a total reduction of 133 positions.[12] The budget submission does not indicate how many or which domestic and overseas offices it is proposing to close.

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

The House Appropriations Committee recommends $319.0 million for the Global Markets unit for FY2019. This is $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."[13]

The Senate Appropriations Committee report does not provide an exact funding amount, but recommends 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."[14] Like the House committee, the Senate committee does not adopt the Administration's proposal to close offices. The Senate committee report specifically notes, "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."[15]

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.

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[10] Also see, CRS In Focus IF10674, *SelectUSA Program: U.S. Inbound Investment Promotion*, by (name redacted) .

[11] 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 percent change, CRS has used the FY2017 actual budget authority ($319.2 million) listed in ITA's budget documents.

[12] U.S. International Trade Administration, *Budget Estimates Fiscal Year 2019, Congressional Submission*, p. 57.

[13] H.Rept. 115-704, p. 6.

[14] S.Rept. 115-275, p. 10.

[15] Ibid.

For FY2019, the Administration requests $52.3 million for Industry and Analysis. This would be $3.4 million less than the FY2018 funding level.[16] The Administration proposes refocusing some of the unit's priorities away from export promotion and toward trade enforcement. Specifically, the Administration proposes reducing activities related to trade missions, the International Buyer Program, and certified trade fairs, and eliminating Market Development Cooperator Program grants.[17]

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

The Senate committee-reported bill does not include a specific recommendation 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, which is $3.1 million (3.6%) more than the FY2018-enacted amount. The requested increase in funding is to support the unit's increasing number of AD/CVD investigations, its new focus on self-initiating AD/CVD cases,[18] and the increased workload due to the tariffs and investigations initiated through Section 232 of the Trade Expansion Act of 1962.[19]

The House Appropriations Committee proposes $85.5 million for Enforcement and Compliance. The House committee proposal is $2.1 million less (-2.3%) than the Administration's request, and $1.0 million (1.1%) more than the FY2018-enacted amount.[20]

The Senate Committee on Appropriations recommends $91.5 million for Enforcement and Compliance. The Senate recommendation is $0.9 million more than the Administration's request

[16] Based on an annualized sum of the continuing resolution in FY2018.

[17] ITA Budget Request, FY2019, p. ITA-20.

[18] In most cases, an industry or company that believe 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. 39).

[19] ITA Budget Request, FY2019, 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. 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 In Focus IF10667, *Section 232 of the Trade Expansion Act of 1962*, by (name redacted) and (name redacted)

[20] 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, 115th Cong. 2nd sess., p. 172.

and $4.0 million more than the 2018-enacted amount.[21] The Senate committee report notes that the committee is supportive of the Administration's request to self-initiate AD/CVD cases.[22]

U.S. International Trade Commission (USITC)

USITC is an independent, quasijudicial 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 requests $87.6 million for USITC, which represents a $6.1 million decrease (-6.5%) from the FY2018-enacted amount ($93.7 million). While the President requests reducing funding for USITC, the commission's independent budget submission—sent directly to Congress without revision by the President—requests $97.5 million for FY2019. USITC cites the increasing number of import injury cases in the previous five years and projects that the caseload will increase further in FY2019.[23]

Both the House and Senate committee-reported bills include $95.0 million for USITC. This amount is $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.[24] In 2018, USTR led the negotiations for the modernization of the North American Free Trade Agreement (NAFTA) and the investigations into Chinese intellectual property practices.

In addition to direct appropriations for USTR, additional 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."

[21] See footnote 20.

[22] S.Rept. 115-275, p. 9.

[23] USITC Budget Justification, FY2019, p. 7, available at https://www.usitc.gov/documents/final-2019-usitc-budget_508-compliant.pdf.

[24] USTR, *Mission of the USTR*, available at https://ustr.gov/about-us/about-ustr.

For FY2019, the Administration requests $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 outlines 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."[25]

Both the House and Senate committee-reported bills include a total of $72.6 million for USTR for FY2019. These proposals include $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 are $9.6 million (15.2%) more than the Administration's request, and are equal to the FY2018-enacted amount.

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 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]).[26]

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 resulted from the application of countervailing duty law to imports from nonmarket economy countries.[27]

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

Both the House and Senate committee-reported bills include $16.4 million from ITA's funding for China AD/CVD enforcement and compliance activities for FY2019. This amount is equal to the FY2018-enacted amount.

[25] USTR FY2019 Budget Request, p. 1.

[26] P.L. 114-125, Trade Facilitation and Trade Enforcement Act of 2015.

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

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 (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.[28]

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

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

The Senate committee-reported bill includes $10.0 million in funding for SelectUSA, which is equal to the FY2018-enacted amount. The Senate Committee on Appropriation's proposed funding is contingent on (1) SelectUSA updating its protocol to ensure that its programs do not encourage foreign investments in the United States by state-owned entities and (2) SelectUSA reporting its updated protocol to the committee within 30 days of enactment of the bill.[29]

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 requests $5.0 million for FY2019 for SIAT to expand the survey and data collection. The Administration proposes that "$5 million in fee revenues collected from the surcharge on international travelers utilizing the Electronic System for Travel Authorization (ESTA) be redirected to fully fund the SIAT."[30]

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

According to the Senate committee report, the Senate Committee on Appropriations does not adopt the Administration's proposal to seek alternative funding sources for SIAT and "directs ITA to continue funding SIAT out of its base budget. Within funds provided, ITA is encouraged to increase the sample size for SIAT."[31]

Trade Enforcement Trust Fund

In order to provide additional funding for USTR's trade enforcement activities, Congress established the Trade Enforcement Trust Fund in 2016. In Section 611 of the Trade Facilitation and Trade Enforcement Act of 2015 (P.L. 114-125), Congress directed the Department of the Treasury to set up the trust fund and outlined the authorized uses of the funds. According to Section 611(d), USTR or other federal agencies can use funds from the trust fund to monitor and enforce trade agreements and WTO commitments and to support trade capacity-building

[28] For more on SelectUSA, see CRS In Focus IF10674, *SelectUSA Program: U.S. Inbound Investment Promotion*, by (name redacted) .

[29] S.Rept. 115-275, p. 10.

[30] ITA Budget Request, FY2019, p. ITA-79.

[31] S.Rept. 115-275, p. 11.

assistance to help partner countries meet their free trade agreement obligations and commitments.[32]

For FY2019, the Administration requests no funding to be derived from the Trade Enforcement Trust Fund; the FY2018-enacted amount was $15 million.[33]

Both the House and Senate committee bills propose $15.0 million for the Trade Enforcement Trust Fund for enforcement activities authorized in Section 611 of the Trade Facilitation and Trade Enforcement Act of 2015. These proposals are equal to the FY2018-enacted amount.

U.S. Trade Representative Robert Lighthizer, in response to the House and Senate committees' reported bills, said that USTR will plan to use the trust fund in FY2019 "to increase [USTR's] capacity to address the Administration's many trade priorities," and that USTR is "focused on making the best use of [FY2018 Trust Fund appropriations] in the few remaining months of FY2018."[34]

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.[35] 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).[36] The executive-established ITEC received its funding through ITA; funding for ICTIME is now appropriated through USTR.[37]

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 does not provide a breakdown for requested funding for ICTIME.

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[32] 19 U.S. Code §4405.

[33] 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 expects to withdraw funds in FY2018.

[34] Senate Committee on Appropriations Subcommittee on Commerce, Justice and Science, and Related Agencies, *U.S. Trade Representative Budget*, hearing, 115th Cong. 2nd sess., July 26, 2018.

[35] 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.

[36] 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.

[37] 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*, 114th Cong., 2nd sess., April 21, 2016, S.Rept. 114-239 (Washington, DC: GPO, 2016), p. 9.

The House committee-reported bill does not include a specific funding amount for ICTIME.

The Senate committee-reported bill also does not include a specific funding amount for ICTIME. The committee report states that the Senate committee supports ICTIME within the funds provided for USTR.[38]

Overview of Issues for Congress

While debating the FY2019 funding levels for the three CJS trade-related agencies, Congress may consider the following issues:

- Whether or not to approve the full scope of proposed budget reductions requested by the Administration for ITA, USITC, and USTR.
- Whether or not to approve the diversion of staffing and funds within ITA away from export promotion activities and toward trade enforcement activities.
- Whether or not to approve the Administration's request to eliminate the Market Development Cooperator Program grants within ITA.

[38] S.Rept. 115-275, p. 141.

Appendix. Budget Authority Tables

Table A-1. Budget Authority for ITA by Unit: FY2008-FY2018

($ in millions)

	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018
Manufacturing and Services	40.5	48.6	49.5	48.9	46.5	42.3	—	—	—	—	—
Market Access and Compliance	41.4	42.3	43.2	42.6	42.6	39.9	—	—	—	—	—
Import Administration	62.7	66.4	68.3	67.4	69.8	70.9	—	—	—	—	—
Trade Promotion and the U.S. & Foreign Commercial Service	235.4	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
Global Markets	—	—	—	—	—	—	312.0	311.8	324.4	319.2	—[a]
Executive and Administration	25.1	25.4	27.3	26.9	26.9	23.7	23.1	23.1	23.3	23.0	—
Total ITA	**405.2**	420.4	446.8	440.7	455.6	438.5	460.6	462.0	483.0	483.0	482.0

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, 115th Cong., 2nd 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, 115th Cong., 2nd sess., p. 172.)

Table A-2. Budget Authority for USITC and USTR: FY2008-FY2018

($ in millions)

	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018
USITC	68.4	75.1	81.9	81.7	80.0	78.9	83.0	84.5	88.5	91.5	93.7
USTR	44.1	47.3	47.8	47.7	51.3	47.6	52.6	54.3	54.5	77.0[a]	72.6[a]

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.

Notes: FY2013 appropriations include sequestration.

a. USTR appropriations include $15 million in funds to be drawn from the Trade Enforcement Trust Fund for FY2017 and FY2018.

Table A-3. Budget Authority for Selected Trade-Related Programs: FY2008-FY2018

($ in millions)

	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018
Office of China Compliance (ITA)	5.9	7.0	7.0	3.0	7.0	—	—	—	—	—	—
China Countervailing Duty Group (ITA)	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	16.4
Select USA (ITA)	—	—	—	—	0.9	0.9	7.0	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, 115th Cong. 2nd sess.

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