

## U.S. INTERNATIONAL TRADE COMMISSION BUDGET AUTHORIZATION

MAY 25 (legislative day, MAY 17), 1978.—Ordered to be printed

Mr. LONG, from the Committee on Finance, submitted the following

### REPORT

[To accompany H.R. 11005]

The Committee on Finance, to which was referred the bill (H.R. 11005) to provide authorization of appropriations for the U.S. International Trade Commission for fiscal year 1979, having considered the same, reports favorably thereon with an amendment and recommends that the bill as amended do pass.

#### I. SUMMARY

The committee amended H.R. 11005 to authorize appropriation of \$13,113,000 to the U.S. International Trade Commission (ITC) for fiscal year 1979. H.R. 11005, as it passed the House, would authorize appropriation of \$12,813,000 to the ITC for fiscal year 1979. The amount the House bill would authorize is \$300,000 less than the ITC requested and is \$300,000 less than the amount authorized under the committee amendment.

#### II. GENERAL EXPLANATION

*Present law.*—Section 330(e) of the Tariff Act of 1930 (19 U.S.C. 1330(e)) requires that an authorization of appropriations for the ITC be enacted for each fiscal year. For fiscal year 1978 the ITC is authorized appropriations of \$11,522,000. Under existing law additional sums are authorized to be appropriated which are necessary for increases authorized by law in salary, pay, retirement, and other employee benefits.

*House bill.*—H.R. 11005, as passed by the House, authorizes appropriation of \$12,813,000 to the ITC for fiscal year 1979, \$300,000 less than the amount requested by the Commission.

(1)

*Committee amendment.*—The committee amended H.R. 11005 to authorize appropriation of \$13,113,000 to the ITC for fiscal year 1979, the amount requested by the ITC.

*Reason for change.*—The U.S. International Trade Commission is an independent factfinding agency whose six members and staff perform important functions in the administration of U.S. trade laws and in the conduct of U.S. trade policy. The Commission holds administrative hearings, carries out economic investigations at the request of Congress, the President, or on its own initiative, and reports its findings to the Congress and to the Executive either as technical advice or as specific determinations in cases brought under the trade laws of the United States.

Some of the trade laws the Commission administers include:

1. The import relief provisions of the Trade Act of 1974. The Commission determines whether or not increased imports are injuring a domestic industry and recommends to the President the relief necessary to remedy the injury to the industry (19 U.S.C. 2251).

2. The Antidumping Act of 1921. The Commission determines whether or not imports sold at less than fair value are injuring a domestic industry (19 U.S.C. 160).

3. The unfair import practice law (19 U.S.C. 1337).

In fiscal year 1978, the Commission experienced a sharp increase in its workload. In particular, the number of Commission investigations of alleged unfair practices in the import trade under section 337 of the Tariff Act of 1930 has increased. This increase followed the conclusion of the Commission's investigation of alleged unfair practices in the importation of color televisions from Japan in fiscal year 1977.

The Commission's workload in import relief cases under the Trade Act has remained steady. Industries covered in recent investigations include producers of sugar, footwear, beef and veal, television sets, industrial fasteners, and citizen band radios. Increased activity is anticipated in the area of antidumping investigations and assistance to the U.S. negotiators at the multilateral trade negotiations.

The act authorizing appropriations for the Commission in fiscal year 1977 provided increased administrative authority to the Chairman of the Commission. Under this new authority the Chairman may make virtually all administrative decisions except those relating to the budget of the Commission and the discharge of employees from employment with the Commission. Previously, the entire Commission was responsible for all administrative matters. The transition to the new form of administration is largely complete. The new administrative scheme appears to have increased the efficiency of the ITC. Most importantly, commissioners can now devote their time to considering substantive issues before the Commission rather than administrative matters.

The Commission requests authorization of an appropriation of \$13,113,000 for fiscal year 1979, an increase of \$900,000 (7.4 percent) from the fiscal year 1978 budget (including a pending fiscal year 1978 supplemental appropriation for pay increases). More than one-third of the increase, \$320,000, is to provide for automatic cost increases. The Commission intends to use most of the remainder of the increase to fill a number of the positions already authorized. During fiscal year 1978, the Commission was authorized to employ 395 full-time per-

manent employees, but received an appropriation adequate to support an average of about 367.

The committee considers the budget request of the ITC to be entirely justified. The amount requested is modest in relation to the importance of the work the ITC performs for the Congress, the Executive, and the public. The committee expects the workload of the ITC to increase during fiscal year 1979. Besides an increase in the number of cases, the culmination of the multilateral trade negotiations during fiscal year 1979 will result in increased demand for ITC studies. In light of this, the committee strongly recommends that the ITC be authorized appropriation of the full amount requested.

### III. COST OF CARRYING OUT THE BILL

In compliance with section 252(a) of the Legislative Reorganization Act of 1970, the committee estimates the cost of carrying out this bill, as amended, will be \$12,800,000 during fiscal year 1979 if the amount authorized is appropriated.

In compliance with section 403 of the Congressional Budget Act of 1974, the Director of the Congressional Budget Office has submitted the following report to the committee.

#### CONGRESSIONAL BUDGET OFFICE—COST ESTIMATE

MAY 25, 1978.

1. Bill number: H. R. 11005.
2. Bill title: A bill to provide authorization of appropriation for the U.S. International Trade Commission for fiscal year 1979.
3. Bill status: As ordered reported by the Committee on Finance of the U.S. Senate on April 27, 1978.
4. Bill purpose: This legislation authorizes the appropriation of \$13,113,000, plus such sums as may be necessary for increases in employee pay and benefits authorized by law, for the expenses of the International Trade Commission in fiscal year 1979.
5. Cost estimate:

<i>Budget function 150</i>		<i>Millions</i>
Fiscal year 1979:		
Authorization amount.....		\$13. 7
Estimated cost.....		12. 8
Fiscal year 1980:		
Authorization amount.....		
Estimated cost.....		. 7
Fiscal year 1981:		
Authorization amount.....		
Estimated cost.....		. 2
Fiscal year 1982:		
Authorization amount.....		
Estimated cost.....		
Fiscal year 1983:		
Authorization amount.....		
Estimated cost.....		

6. Basis for estimate: This estimate assumes enactment of this legislation and the subsequent appropriation of the entire authorization amount on or before September 30, 1978.

The authorization amount contains an adjustment of \$0.7 million for pay and benefit increases based on current CBO economic assumptions and the pay base implicit in the authorization amount.

Costs were estimated by applying historical outlay rates to the \$13.7 million assumed to be appropriated.

7. Estimate comparison: None.
8. Previous CBO estimate: None.
9. Estimate prepared by: Joseph C. Whitehill.
10. Estimate approved by:

JAMES L. BLUM,  
Assistant Director  
for Budget Analysis.

#### IV. REGULATORY IMPACT OF THE BILL

In compliance with paragraph 5 of the rule XXIX of the Standing Rules of the Senate, the committee states that the bill, as amended, will not regulate any individuals or businesses.

#### V. VOTE OF COMMITTEE

In compliance with section 133 of the Legislative Reorganization Act of 1946, the committee states that the bill, as amended, was ordered favorably reported by voice vote.

#### VI. CHANGES IN EXISTING LAW

In compliance with paragraph 4 of rule XXIX of the Standing Rules of the Senate, changes in existing law made by the bill, as reported, are shown below (existing law proposed to be omitted is enclosed in black brackets, new matter is in *italic*, existing law in which no change is proposed is shown in roman).

##### TARIFF ACT OF 1930

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##### TITLE III—SPECIAL PROVISIONS

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##### PART II—UNITED STATES INTERNATIONAL TRADE COMMISSION

##### SEC. 330. ORGANIZATION OF THE COMMISSION

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(e)(1) For the fiscal year beginning October 1, 1976, and each fiscal year thereafter, there are authorized to be appropriated to the Commission only such sums as may hereafter be provided by law.

(2) There are authorized to be appropriated to the Commission for necessary expenses for fiscal year [1978] 1979 an amount not to exceed [ \$11,522,000 ] \$13,113,000.

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