

Remarks for the Commerce, Justice, Science, and Related Agencies Appropriations

Subcommittee Members' Day

Representative Peter J. Visclosky (IN-01)

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I would like to thank Chairman Serrano, Ranking Member Aderholt, and all the members of the Commerce, Justice, Science, and Related Agencies Appropriations Subcommittee for holding today's hearing. I am extremely grateful for the opportunity to continue to advocate for robust funding for the U.S. International Trade Commission (ITC).

First, I would like to extend my thanks for funding the ITC at \$99.4 million in Fiscal Year (FY) 2020. As the Subcommittee knows, the ITC is required by U.S. law to release its budget justification independently from the Office of Management and Budget (OMB). In FY 2020, the ITC requested \$101 million. However, the OMB made its own request for the ITC of \$91.1 million. Even though the final FY 2020 funding level was below the ITC's request, I appreciate your hard work throughout the appropriations process last year to support the ITC.

As you are aware, the ITC works to defend American workers and their jobs from foreign countries that harm our domestic industries through illegal trading practices. These illegal trading practices – such as dumping and subsidizing – by foreign countries leave our domestic industries struggling to compete. To remedy this problem, the ITC works tirelessly to ensure that each case claiming material injury to a U.S. industry is properly investigated and judiciously determined. We must continue to do all that we can to help guarantee that our domestic industries are able to compete on a level playing field, which requires adequate funding for the ITC.

For FY 2021, the ITC has requested \$105 million in order to execute its mandated functions, which include managing a high investigation caseload, revising the Harmonized Tariff Schedule (HTS) of the United States to incorporate tariff rate changes, and modernizing its information technology infrastructure. I would note that the OMB made its own request for the ITC of \$99.6 million. I strongly urge the Subcommittee to use the ITC's independent budget justification and fund the ITC at \$105 million for FY 2021. This increased funding is essential to address several operational challenges that the ITC faces during the next fiscal year.

Specifically, the ITC has seen a significant increase in antidumping and countervailing duty (AD/CVD) investigations over the past decade. From FY 2011 through FY 2015, there was an average of 8 to 10 filings annually. Subsequently, from FY 2016 through FY 2019, there was an average of 16 to 18 filings annually. AD/CVD investigations are predicted to remain at high levels through FY 2021 and beyond. Further, I would note that over the last 10 years, affirmative determinations have increased, which in turn increases the number of cases that return for 5-year reviews. Without the proper funding to handle this increased workload, the ITC will not have the capacity to meet mission-related statutory deadlines.

Additionally, due to recent trade actions, the ITC continues to face record levels of changes to the HTS. Recent trade actions – such as Section 232 tariffs on steel and aluminum, Section 301 tariffs on China, the passage of the USMCA, and changes to other trade programs – have all required that the ITC revise the HTS. In FY 2018 and FY 2019, the HTS was revised 13 and 14 times, respectively, as compared to 3 times in a typical year. The ITC is statutorily required to maintain the HTS database and is also the source of public information on the HTS. This tariff information allows private companies to accurately report their imports to U.S. Customs and

Border Protection for enforcement of U.S. tariffs, so it is vital that the ITC receives the needed funding to meet its growing mission responsibilities.

Finally, recent trade actions have increased requests for fact-finding investigations and trade policy support, another major component of the ITC's mission. These requests come from the House Committee on Ways and Means, the Senate Committee on Finance, and the U.S. Trade Representative (USTR). Unfortunately, the ITC was funded below its request for FY 2020, which has left a shortage in personnel funding and has forced continued delays in necessary technology infrastructure improvements. This shortage is causing the ITC to negotiate delayed delivery dates for some incoming fact-finding reports in order to fully respond to all its incoming requests for new investigations. Without sufficient funding for the ITC in FY 2021, the ITC risks having to delay delivery of fact-finding investigations to Congress and the USTR. These delays could adversely impact our nation's trade policy.

In conclusion, I would like to again thank the Subcommittee for allowing me to testify today. I believe that the ITC's budget justification provides the most complete understanding of its financial needs and offers insight on how inadequate funding levels would impact its ability to enforce our trade laws and protect American workers. Therefore, I strongly encourage the Subcommittee to fund the ITC at \$105 million for FY 2021.