



U.S. Trade and Development Agency

Fiscal Year 2020 Congressional Budget Justification

Agency Overview

The U.S. Trade and Development Agency (USTDA)'s mandate is to support job creation at home and promote economic development abroad. USTDA does so by leveraging U.S. industry expertise to build mutually beneficial, trade- and investment-based partnerships with emerging markets. While this model of international development is still being adopted by some organizations, it has been central to USTDA's core mission for nearly three decades.

USTDA participates in this development paradigm shift by employing the knowledge, expertise and resources of the U.S. private sector: an approach that helps emerging markets achieve their development goals while supporting our own economy. The Agency's work to link U.S. businesses to global infrastructure opportunities increases exports of U.S. goods and services – which, in turn, supports high-paying American jobs.

USTDA supports the private sector by engaging with development projects at the critical early stages when a project's technology options and requirements are being defined. By highlighting opportunities for the use of U.S. expertise and technologies when they can effectively be incorporated into project design, the Agency increases opportunities for the use of quality U.S. solutions in project implementation.

The Agency connects foreign project sponsors with U.S. manufacturers and service providers of quality-made American solutions to open emerging markets for the export of U.S.-manufactured goods, services and technologies through reverse trade missions, feasibility studies and pilot projects, conferences and workshops, and technical assistance.

USTDA has received unqualified audit opinions in every year of its existence as an independent agency. USTDA has a lean, experienced and innovative team that works collaboratively to achieve the Agency's mission. Their extraordinary commitment enables USTDA to leverage its resources to produce remarkable results.

Increasing U.S. Exports, Supporting U.S. Jobs

USTDA's mandate to provide infrastructure development assistance to emerging economies by leveraging the resources of the U.S. private sector helps increase U.S. exports to overseas markets and supports high-paying jobs here at home. In fact, since 2009, USTDA's export multiplier has increased from \$35 to \$104 in U.S. exports generated for every dollar programmed. The Agency's results in FY 2018 demonstrate its export promotion and job creating performance.

\$4.9B

New U.S. exports
identified
in FY 2018

28,000

Estimated U.S. jobs
supported by
exports identified
in FY 2018

\$66B

Total U.S. exports
generated by
USTDA programs

\$104

U.S. exports
generated for each
dollar invested

As part of its comprehensive effort to support job creation across the country, USTDA continued its commitment to its signature Making Global Local program, which is the centerpiece of the Agency's domestic outreach strategy. Designed to support U.S. jobs by increasing the number of U.S. businesses that benefit from USTDA's export promotion programs, Making Global Local enables the Agency to connect with companies of all sizes across the country. USTDA has established Making Global Local partnerships with over 90 local trade promotion organizations in 33 states across the United States. These organizations provide the Agency with market intelligence on their local business communities, including key industry clusters, cutting-edge manufacturers and innovative service providers – many of which are small and medium-sized enterprises (SMEs) – in order to connect U.S. businesses with foreign buyers.

Budget Request & Justification

The Administration believes that the Agency's mission is more appropriately served by the private sector. As part of its efforts to streamline functions and close programs across government, the Administration respectfully requests \$12.1 million in budgetary resources for FY 2020 to provide for an orderly wind-down of operations of the U.S. Trade and Development Agency. While the Administration wants U.S. businesses to invest in emerging markets to grow their businesses and create American jobs, these businesses have incentive to invest and should rely on private sector financing. In general, the United States should not provide taxpayer subsidies except in rare situations, such as when limited support is needed to offset inappropriate subsidies that disadvantage U.S. businesses. Other U.S. agencies will continue to effectively promote American exports, support American businesses overseas, and facilitate international infrastructure development. These include the U.S. Export-Import Bank, the U.S. Department of Commerce, the U.S. International Development Finance Corporation, and the U.S. Agency for International Development.

Termination Expenses

The Agency conducted a thorough, line-by-line analysis of costs necessary to conduct an orderly wind-down to terminate Agency functions in FY 2020. These costs are broken out below, and amount to an operating budget of \$12.1 million in FY 2020.

Personnel Expenses – \$5.8 million

This amount includes termination costs for employee severance packages, retention of essential personnel to close-out operations and contracting assistance necessary to facilitate an orderly shutdown of the Agency.

Real Property Expenses – \$4.5 million

The total real property costs necessary for an orderly wind-down amount to \$4.5 million, which includes rental payments for FY 2020 and contractual “buyout” costs for early termination of the Agency headquarters’ lease at the end of FY 2020.

Miscellaneous Expenses – \$1.8 million

The miscellaneous expenses include costs such as fulfilling requirements for archiving, scanning and records management; close-out of overseas offices including ICASS and CSCS obligations; support through shared service agreements for shutdown activities; and financial close-out costs related to closing-out grant activities and a final financial audit.

Proposed Appropriations Language

TRADE AND DEVELOPMENT AGENCY

For necessary expenses to carry out the closure of the Trade and Development Agency, \$12,105,000.

**U.S. Trade and Development Agency
 FY 2020 Core Budget Overview Summary**

	FY2018		FY2019		FY2020	
	Actual	Estimate	Estimate	Estimate	President's Budget	President's Budget
Operating Expenses						
11.1 Full Time Permanent	4,742,772	5,340,199			1,681,190	
11.3 Other Than Full Time Permanent	833,655	1,398,329			460,000	
11.5 Other Personnel Compensation	93,688	94,210			2,957,600	
11.9 Total Personal Svcs Pymnts	5,670,115	6,832,738			5,098,790	
12.1 Civilian Personnel Benefits	1,679,539	1,994,536			658,250	
Total Salaries and Benefits	7,349,654	8,827,274			5,757,040	
23.1 Rental Payments to GSA	2,503,522	1,891,895			4,500,000	
21.0 Travel and Transportation	721,263	800,000			0	
23.3 Communications, Util & Misc	21,680	91,439			0	
23.3 Communications, Postal Fees & Mail Service	81,200	15,000			0	
24.0 Printing and Reproduction	78,366	80,000			0	
25.1 Consulting Services	4,003,623	3,658,008			847,350	
25.2 Other Services	205,797	210,800			415,310	
25.3 Inter-Agency Reimb. Agreements	1,958,158	1,830,884			1,780,700	
25.4 Operation and Mgt. of Facilities	3,500	6,500			0	
25.7 Equipment Maintenance	79,113	280,200			141,700	
26.0 Supplies and Materials	379,581	158,000			0	
31.0 Furniture and Equipment	66,059	150,000			0	
Carry-over & De-obligations	964,484	0			-1,342,100	
Total Operating Expenses - Core Budget Obligations	18,416,000	18,000,000			12,100,000	
Program Funds - Core Budget Obligations	61,084,000	61,500,000			0	
Total Core Budget	79,500,000	79,500,000			12,100,000	
Personnel Ceiling	62	62			15	
Temporary Personnel (Power Africa)	4	4			0	