



U.S. Trade and Development Agency

Fiscal Year 2018 Congressional Budget Justification

Agency Overview

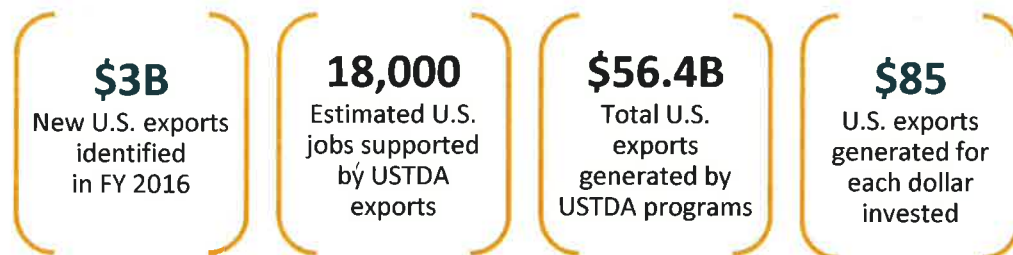
The U.S. Trade and Development Agency (USTDA)'s mandate is to support job creation at home and promote economic development abroad. USTDA does so by leveraging U.S. industry expertise to build mutually beneficial, trade- and investment-based partnerships with emerging markets. While this model of international development is still being adopted by some organizations, it has been central to USTDA's core mission for over two 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. From highlighting U.S. technologies and services during Agency-sponsored reverse trade missions, to connecting U.S. technical experts with overseas project sponsors, USTDA helps level the playing field for American companies to succeed in the global marketplace.

USTDA has received unqualified audit opinions in every year of its existence as an independent agency. USTDA's talented staff are among the most dedicated in the federal government, according to the 2016 Federal Employee Viewpoint Survey.

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

USTDA's mandate to provide 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 has more than doubled its export multiplier from \$35 to \$85 in U.S. exports generated for every dollar programmed. The Agency's results in FY 2016 demonstrate its export promotion and job creating performance.



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 nearly 80 state and local trade promotion organizations in strategic locations 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 2018 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. In fact, supporting select U.S. businesses over others puts the Government in the business of picking winners and losers, potentially distorting the free market.

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 2018. These costs are broken out below, and amount to an **operating budget of \$12.1 million in FY 2018.**

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 2018 and contractual “buyout” costs for early termination of the Agency headquarters’ lease at the end of FY 2018.

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; human resource support through shared service agreement 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.

Note.—A full-year 2017 appropriation for this account was not enacted at the time the budget was prepared; therefore, the budget assumes this account is operating under the Further Continuing Appropriations Act, 2017 (P.L. 114-254). The amounts included for 2017 reflect the annualized level provided by the continuing resolution.

**U.S. Trade and Development Agency
FY 2018 Core Budget Overview Summary**

	FY2016		FY2017		FY2018	
	Actual		Enacted		Budget	
Operating Expenses						
11.1 Full Time Permanent	4,850,068		4,610,500		1,681,190	
11.3 Other Than Full Time Permanent	738,517		1,393,195		460,000	
11.5 Other Personnel Compensation	55,546		81,724		2,957,600	
11.9 Total Personal Svcs Pymnts	5,644,131		6,085,419		5,098,790	
12.1 Civilian Personnel Benefits	1,738,777		1,779,891		658,250	
Total Salaries and Benefits	7,382,908		7,865,310		5,757,040	
23.1 Rental Payments to GSA/Others	1,610,000		1,444,000		4,500,000	
21.0 Travel and Transportation	692,136		715,525		0	
23.3 Communications, Util & Misc	89,447		85,216		0	
23.3 Communications, Postal Fees & Mail Service	152,500		155,000		0	
24.0 Printing and Reproduction	81,286		80,000		0	
25.1 Consulting Services	4,003,355		4,457,774		847,350	
25.2 Other Services	212,320		2,460,211		420,310	
25.3 Inter-Agency Reimb. Agreements	1,113,630		1,637,618		1,780,700	
25.4 Operation and Mgt. of Facilities	3,000		11,080		0	
25.7 Equipment Maintenance	36,926		141,703		141,700	
26.0 Supplies and Materials	127,480		143,164		0	
31.0 Furniture and Equipment	189,577		429,164		0	
32.1 Leasehold Improvements	0		2,144,517		0	
Carry-over & De-obligations	-494,565		-570,282		-1,342,100	
Total Operating Expenses - Core Budget Obligations	15,200,000		21,200,000		12,105,000	
Program Funds - Core Budget Obligations	44,800,000		53,800,000		0	
Total Core Budget	60,000,000		75,000,000		12,105,000	
Personnel Ceiling	55		57		15	
Temporary Personnel (Power Africa)	3		4		0	