

Canadian International Trade Tribunal

**2003-2004
Estimates**

Part III - Report on Plans and Priorities

Canadian International Trade Tribunal

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Approved

Secretary of State, International Financial Institutions

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Section I—Chairperson’s Message

I am pleased to present the Report on Plans and Priorities of the Canadian International Trade Tribunal for fiscal year 2003-2004. The Tribunal is a key player within Canada’s trade remedies system.

As a quasi-judicial organization, the Tribunal’s workload is externally generated. That is why one of the Tribunal’s main challenges is to harmonize the allocation of its limited resources to the various jurisdictions for which it is responsible. In fiscal year 2002-2003, the Tribunal was directed by the Governor in Council to inquire and report by August 19, 2002, on the importation of certain steel goods from all sources. This inquiry was the most complex ever conducted by the Tribunal. The Tribunal’s challenge was to carry out this inquiry (in excess of 175 parties and more than 80,000 pages of text) and to maintain a delicate balance to ensure that other statutory deadlines were met and that all areas of its jurisdiction were dealt with in a timely manner to allow the Canadian business sector and its members to remain competitive in the global trade environment.

In fiscal year 2002-2003, Bill C-50 amended the *Canadian International Trade Tribunal Act* (CITT Act). Amendments were also made to the Tribunal’s regulations. These amendments, which came into force in September 2002, were made to reflect one of the concessions by the People’s Republic of China (China) as part of its accession to the World Trade Organization (WTO) in December 2001. China agreed to allow WTO Members, during a 12-year period, to take bilateral safeguard actions against its imports, if they were found to be causing market disruption or significant trade diversion. Canada implemented this safeguard provision through the legislative amendments mentioned above. One of the Tribunal’s priorities in fiscal year 2003-2004 will be to put in place the processes and procedures for the efficient investigation of safeguard complaints against China’s imports. The Tribunal is in the process of finalizing various documents to assist potential complainants with the filing of a complaint. As usual, these documents will be the subject of Tribunal consultations with stakeholders.

The Tribunal’s main challenge continues to be to devise means by which the Tribunal is able to meet statutory dealines without compromising the quality of its findings, determinations and recommendations. The Tribunal also recognizes that it must address, in the forthcoming years, the issue of succession planning if it is to continue to be a key player in Canada’s trade remedies system and, in doing so, allow the Canadian business sector to remain competitive in the global trade environment.

Pierre Gosselin

Management Representation Statement

I submit, for tabling in Parliament, the 2003-2004 Report on Plans and Priorities (RPP) for the Canadian International Trade Tribunal.

This document has been prepared based on the reporting principles and disclosure requirements contained in the *Guide to the preparation of the 2003-2004 Report on Plans and Priorities*.

- It accurately portrays the organization's plans and priorities.
- The planned spending information in this document is consistent with the directions provided in the Minister of Finance's Budget and by TBS.
- It is comprehensive and accurate.
- It is based on sound underlying departmental information and management systems.

The reporting structure on which this document is based has been approved by Treasury Board Ministers and is the basis for accountability for the results achieved with the resources and authorities provided.

Name: _____

Michel P. Granger
Secretary

Date: _____ February 20, 2003

Section II—Raison d'être

The objective of the Tribunal's business line is to provide a fair and efficient trade remedies system to the Canadian public, the private business sector and commercial interests, and to offer the government, through the Tribunal's fact-finding inquiries and standing reference, the best advice available so that it can formulate strategies aimed at making the Canadian business sector and its members more competitive in the global trade environment.

Canada has obligations to honour under international trade agreements to which it is a signatory. Some of those obligations under the WTO agreements (antidumping, subsidies, safeguards and government procurement) and the *North American Free Trade Agreement* (NAFTA) (procurement, advance rulings, markings and rules of origin) have been assigned to the Tribunal by statute or regulation. Similarly, legislation has conferred obligations on the Tribunal in relation to the *Canada-Israel Free Trade Agreement*, the *Canada-Chile Free Trade Agreement* and the *Agreement on the Procurement of Telecommunications Equipment*.

At the domestic level, legislation has conferred on the Tribunal the responsibility to inquire into dumping and subsidizing complaints as they relate to injury and to hear appeals from decisions of the Canada Customs and Revenue Agency under various statutes. The Tribunal has also been designated the bid challenge authority under the *Agreement on Internal Trade*.

The CITT Act also assigns to the Tribunal an advisory role in assisting government, through its fact-finding inquiries, in the formulation of strategies aimed at making Canadian producers more competitive in the global trade environment. Through its standing reference on tariff relief on imported textile inputs for production, the Tribunal assists the government in determining the levels of tariffs that will ensure that economic gains for Canada are maximized in an industry that faces changing market demands.

Section III—Planning Overview

The Tribunal obtains its operating budget through the Main Estimates process. It does not receive funds through grants and contributions or through cost recovery of its operational expenditures.

Through its various jurisdictions, the Tribunal's strategic outcome is to be a key player in Canada's trade remedies system by supporting a fair and open trading system.

This strategic outcome must be achieved under difficult conditions. The Tribunal does not have control over its workload as it is externally generated. Moreover, the economic climate has a direct impact on the Tribunal's work. Downturns in the domestic and global economies usually lead to a deterioration of markets and to increased competition for the remaining businesses. This can lead to a larger number of inquiries in response to dumping and subsidizing complaints and procurement complaints. Recent amendments to the CITT Act and the Tribunal's regulations regarding safeguard inquiries to accommodate the recent accession of China to the WTO could also have an impact on the Tribunal's workload. Risk management, therefore, involves establishing the right balance in the allocation of the Tribunal's limited resources to allow statutory deadlines to be met and concurrent operational requirements associated with the various areas of its mandate to be considered in a timely way, thereby allowing the Canadian business sector and its members to remain competitive in a global trade environment. It also involves having on strength the appropriate mix of competencies to deal effectively with the demands of an evolving mandate.

The Tribunal has established the following strategic priorities to guide its operations:

- To maintain the quality of its findings, determinations and recommendations;
- To hear cases and make decisions expeditiously on matters that fall within its jurisdiction pursuant to acts of Parliament and regulations; and
- To maintain its independence and accessibility as a quasi-judicial organization.

In line with these strategic priorities, the Tribunal has a communication strategy based on the timely publication of guides, guidelines and practice notices, and the strategic use of its Web site to ensure that stakeholders have a clear understanding of its jurisdiction. The Tribunal also recognizes that information technology can play a significant role in streamlining its operations and in facilitating interaction with stakeholders. In fiscal year 2002-2003, the Tribunal was directed by the Governor in Council to inquire and report on the importation of certain steel goods. Having to operate under a very stringent time line, the Tribunal made very extensive use of its Web site to communicate and interact with world producers of steel. It could not have fulfilled its mandate in this inquiry had it not relied on its Web site. As well, the Tribunal recognized that, in order to complete the inquiry within the allocated time frame, it had to adapt the processes and procedures that it usually follows in its inquiries. In fiscal year 2003-2004, it will pursue its assessment of the measures introduced for the steel safeguard inquiry to determine the feasibility of introducing some of these measures into the various areas of its jurisdiction.

The Tribunal will also undertake a succession planning exercise, considering that it will be undergoing, in the next few fiscal years, a significant turnover of personnel due to retirements. Due to the specialized nature of its work and the diversity of its mandate, the Tribunal must develop a succession strategy that will allow it to continue to be a big player in Canada's trade remedies system.

Recognizing the success that it has obtained through the implementation of various information technology applications in its operations and interactions with stakeholders, the Tribunal will pursue its efforts to identify other areas of its activities where information technology applications could be introduced so that it can be in a position to deal expeditiously and efficiently with matters that fall within its jurisdiction.

Section IV—Organization

Strategic Outcomes and Business Lines

Because of its mandate and structure, the Tribunal has one business line—to act as an administrative court for dumping and subsidizing inquiries, appeals from CCRA decisions on customs and excise matters, and procurement complaints and as an advisor to the government or the Minister of Finance on a broad range of trade, economic or tariff-related matters.

The Tribunal's decisions may be reviewed by or appealed to, as appropriate, the Federal Court of Canada and, ultimately, the Supreme Court of Canada, or a binational panel under NAFTA, in the case of a decision affecting U.S. and/or Mexican interests. Governments that are members of the WTO may appeal the Tribunal's decisions to a dispute settlement panel under the WTO *Understanding on Rules and Procedures Governing the Settlement of Disputes*.

The objective of the Tribunal's business line is to ensure that Canada can rely on a fair and efficient trade remedies system and that the government, through the Tribunal's fact-finding inquiries and standing references, can formulate strategies aimed at making Canadian producers more competitive in the global trade environment.

Recognizing that the Tribunal's entire workload is externally generated and that its operations are of a quasi-judicial nature, the Tribunal is not in a position to identify planned results and related activities and resources, as is the case for a regular department.

However, the Tribunal has established the following key result commitments against which its performance can be assessed:

- Upholding of the Tribunal's decisions by national and international appeal bodies;
- Implementation of the Tribunal's recommendations by the government;
- Publication of the Tribunal's decisions in a timely way; and
- Tribunal's decisions viewed as fair and impartial by domestic and international stakeholders.

Accountability

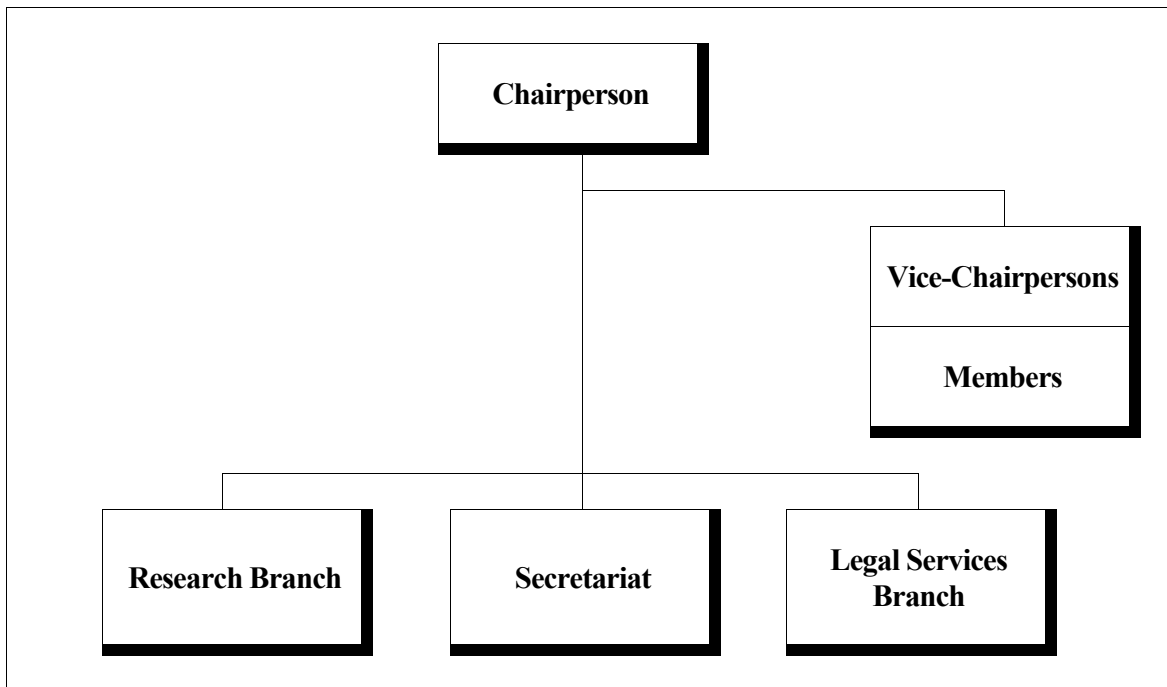
The Tribunal is an independent quasi-judicial body that carries out its statutory responsibilities in an autonomous and impartial manner and reports to Parliament through the Minister of Finance.

The Tribunal may be composed of up to nine full-time members, including a Chairperson and two Vice-Chairpersons, who are appointed by the Governor in Council for a term of up to five years. A maximum of five additional members may be temporarily appointed. The Chairperson is the Chief Executive Officer responsible for the assignment of members and for the management of the Tribunal's work.

Members of the Tribunal are supported by a permanent staff of 87 people. Its principal officers are the Secretary, responsible for corporate management, public relations, dealings with other government departments and other governments, and the court registry functions of the Tribunal; the Executive Director, Research, responsible for the investigative portion of inquiries, the

economic and financial analysis of firms and industries, the investigation of complaints by potential suppliers concerning any aspect of the procurement process and other fact finding required for Tribunal inquiries; and the General Counsel, responsible for the provision of legal services.

Organization Structure



Departmental Planned Spending

(\$ thousand)	Forecast Spending 2002-2003	Planned Spending 2003-2004	Planned Spending 2004-2005	Planned Spending 2005-2006
Budgetary Main Estimates (gross)	9,047	9,534	9,534	9,534
Less: Respendable revenue	-	-	-	-
Total Main Estimates	9,047	9,534	9,534	9,534
Adjustments **	1,177	-	-	-
Net Planned Spending	10,224*	9,534	9,534	9,534
Less: Non-respendable revenue	-	-	-	-
Plus: Cost of services received without charge	2,170	2,174	2,176	2,178
Net cost of program	12,394	11,708	11,710	11,712
Full-time equivalents	94	94	94	94

* Reflects the best forecast of total net planned spending to the end of the fiscal year.

** Adjustments are to accommodate approvals obtained since the Main Estimates and are to include Budget initiatives, Supplementary Estimates, etc.

Spending Trends

Over the years, the Tribunal's spending trends have remained constant. Its number of full-time equivalents and its percentage of funds allocated to salaries have remained essentially the same. The same can be said for its operating expenditures. Approximately 85 percent of the Tribunal's annual operating expenditures have been allocated to non-discretionary expenditures, i.e. telecommunications, photocopying, mail and courier services, translation, court reporting, printing and publishing. The balance of the funds are mostly expended on training and development, and information technology equipment and initiatives.

Because its workload is externally generated, the Tribunal has always had, as a practice, to keep in reserve a small portion of its operating budget to meet unexpected demands, such as references from the Government or the Minister of Finance. That is how the Tribunal was able to respond quickly, in fiscal year 2002-2003, to an Order in Council directing it to inquire and report on the importation of certain steel goods. The Tribunal is of the view that this approach is responsible management that enables it to deal expeditiously with matters that are referred to it.

Section V—Annexes

Annex I—Net Cost of Program for the Estimates Year

(\$ thousand)	Total
Net Planned Spending (Total Main Estimates plus Adjustments as per the Planned Spending Table)	9,534
<i>Plus: Services Received without Charge:</i>	
Accommodation provided by Public Works and Government Services Canada (PWGSC)	1,662
Contributions covering employer's share of employees' insurance premiums and expenditures paid by Treasury Board Secretariat (excluding revolving funds)	512
2003-2004 Net cost of Program	11,708

Annex II—Other Information

• Contact for Further Information and Web Site

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Canadian International Trade Tribunal
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333 Laurier Avenue West
15th Floor
Ottawa, Ontario
K1A 0G7

Telephone: (613) 993-3595
Fax: (613) 998-1322
E-mail: secretary@citt-tcce.gc.ca
Tribunal's Web Site: www.citt-tcce.gc.ca

• Legislation Governing the Work of the Canadian International Trade Tribunal

<i>Canadian International Trade Tribunal Act</i>	R.S.C. 1985 (4th Supp.), c. 47
<i>Customs Act</i>	R.S.C. 1985 (2d Supp.), c. 1
<i>Excise Tax Act</i>	R.S.C. 1985, c. E-15
<i>Special Import Measures Act</i>	R.S.C. 1985, c. S-15
<i>Softwood Lumber Products Export Charge Act</i>	R.S.C. 1985 (3d Supp.), c. 12
<i>Energy Administration Act</i>	R.S.C. 1985, c. E-6
<i>Canadian International Trade Tribunal Regulations</i>	S.O.R./89-35
<i>Canadian International Trade Tribunal Procurement Inquiry Regulations</i>	S.O.R./93-602
<i>Canadian International Trade Tribunal Rules</i>	S.O.R./91-499

• List of Statutory and Tribunal Reports

Annual Reports

- 1989-90 to 2001-2002

Bulletins

- 1995-96 to 2001-2002

Guides

- *Introductory Guide on the Canadian International Trade Tribunal*
- *Procurement Review Process - A Descriptive Guide*
- *Textile Reference Guide*

Pamphlets

- *Information on Appeals from Customs, Excise and SIMA Decisions*
- *Information on Dumping and Subsidizing Inquiries and Reviews*
- *Information on Economic, Trade and Tariff Inquiries*
- *Information on Import Safeguard Inquiries and Measures*
- *Information on Procurement Review*
- *Information on Textile Tariff Investigations*

Textile Reference: Annual Status Reports

- 1994-95 to 2000-2001

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