

Canadian International Trade Tribunal

**1999-2000
Estimates**

A Report on Plans and Priorities

Canadian International Trade Tribunal

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A Report on Plans and Priorities

Approved

Minister of Finance

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Section I: Messages

A. The Chair's Message

I am pleased to present the Report on Plans and Priorities (RPP) of the Canadian International Trade Tribunal (the Tribunal) for fiscal year 1999-2000.

The Tribunal is a key player within Canada's trade remedy system as a result of its jurisdiction under the *North American Free Trade Agreement* (NAFTA), the *Agreement on Internal Trade* (AIT), the World Trade Organization (WTO) agreements, the *Canada-Israel Free Trade Agreement* and the *Canada-Chile Free Trade Agreement*.

As mentioned in last year's RPP, the Tribunal has initiated a number of measures that are aimed at streamlining its activities and at ensuring that it can continue to support a fair, open and competitive international trading system. These measures were developed in consultation with the Tribunal's stakeholders. In light of the results achieved, efforts will be pursued in order to ensure that any firm, irrespective of its size, can have access to the trade remedies for which the Tribunal has responsibility under various statutes and trade agreements.

The Tribunal's RPP for 1999-2000 reflects its continued commitment to this strategic objective and the maintenance of the quality of the Tribunal's findings, determinations and recommendations.

The likely proclamation of legislative amendments to the *Special Import Measures Act* and to the *Canadian International Trade Tribunal Act* during fiscal year 1999-2000 will require the Tribunal to adapt its operations to accommodate these legislative amendments. As it has done in the past when new jurisdictions were assigned to it, the Tribunal will be up to the challenge.

Pierre Gosselin
Chair

B. Management Representation

MANAGEMENT REPRESENTATION Report on Plans and Priorities 1998-99

I submit, for tabling in Parliament, the 1999-2000 Report on Plans and Priorities (RPP) for the Canadian International Trade Tribunal.

To the best of my knowledge, the information:

- accurately portrays the Tribunal's mandate, plans, priorities, strategies and expected key results;
- is consistent with the disclosure principles contained in the *Guidelines for Preparing a Report on Plans and Priorities*;
- is comprehensive and accurate; and
- is based on sound underlying departmental information and management systems.

I am satisfied with the quality assurance processes and procedures used for the production of the RPP.

The Planning, Reporting and Accountability Structure (PRAS), 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: _____

Date: _____

Section II: Departmental Overview

A. Mandate, Role and Responsibilities

The Tribunal derives its authority from the *Canadian International Trade Tribunal Act* (the CITT Act), which received Royal Assent on September 13, 1988. The Tribunal's mandate is to:

- conduct inquiries into whether dumped or subsidized imports have caused material injury or retardation or are threatening to cause material injury to a domestic industry;
- hear appeals of decisions of the Department of National Revenue (Revenue Canada) made under the *Customs Act*, the *Excise Tax Act* and the *Special Import Measures Act* (SIMA);
- conduct investigations into requests from Canadian producers for tariff relief on imported textile inputs that they use in their production operations;
- conduct inquiries into complaints by potential suppliers concerning federal government procurement that is covered by NAFTA, the AIT and the *WTO Agreement on Government Procurement*;
- conduct safeguard inquiries into complaints by domestic producers that increased imports are causing, or threatening to cause, serious injury to domestic producers; and
- conduct inquiries and provide advice on such economic, trade and tariff issues as are referred to the Tribunal by the Governor in Council or the Minister of Finance.

The Tribunal is a key player within Canada's trade remedy system. In its quasi-judicial role, the Tribunal protects Canadian producers from two important forms of unfair competition originating in foreign countries: injurious dumping and subsidizing. The Tribunal also acts as a court of easy access for appeals from Revenue Canada decisions on customs and excise matters and for complaints regarding designated government procurements.

In its advisory role, the Tribunal assists the 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 textile tariff relief, 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 conditions.

With the emergence of a freer and more open trading system, Canada must increasingly rely on a fair and efficient trade remedy system. Through its various jurisdictions, the Tribunal contributes to the maintenance of a healthy Canadian economy and to fair trading relations with Canada's trade partners.

B. Objective

The objective of the Tribunal's business line is to provide a fair and efficient trade remedy 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 Canadian producers more competitive in the global trade environment.

C. Operating Environment

The Tribunal is an independent quasi-judicial body that carries out its statutory responsibilities in an autonomous and impartial manner. It reports to Parliament through the Minister of Finance. The Tribunal is composed of up to nine full-time members, including a Chair and two Vice-Chairs, who are appointed by the Governor in Council for up to a term of five years. As a quasi-judicial organization, the Tribunal is not involved in activities other than those assigned to it by statute. The Tribunal does not generally control its workload, as the demand for its services is externally generated in accordance with the provisions of various statutes. Priority setting is done in accordance with the deadlines set in the various statutes.

Diversified Mandate of the Tribunal

The diversified mandate of the Tribunal distinguishes it from the majority of federal tribunals and boards that have a single mandate. The Tribunal, on the other hand, has a mandate which comprises five components: dumping and subsidizing, appeals of Revenue Canada decisions, government procurement, textile and inquiries into economic, trade and tariff issues. This diversified mandate constitutes a major challenge as the Tribunal must coordinate its activities in order to complete cases filed with it within prescribed deadlines that is why the Tribunal must be able to rely on competent and versatile staff to assist members in their deliberations.

The economic climate is a key external factor affecting the work of the Tribunal related to dumping and subsidizing. Downturns in the domestic and global economies usually lead to the deterioration of markets and to increased competition for the remaining business. At such times, domestic producers become increasingly sensitive to competition from imports and increasingly likely to seek protection against them. This generally leads to a larger number of inquiries in response to dumping and/or subsidizing complaints under SIMA. The work of the Tribunal under SIMA is of special interest and importance to domestic producers, importers and exporters, to the primary industrial and service sectors of the economy, as well as to counsel and consultants active in trade matters.

NAFTA, the AIT and the AGP require signatory governments to maintain an independent bid challenge (complaint) authority. The CITT Act establishes the Tribunal as the complaint authority for Canada. As the bid challenge authority for federal government procurement, the Tribunal determines whether the government institution responsible for the procurement under review has met the requirements of international and national trade agreements and Canadian legislation. The work of the Tribunal is therefore of interest to potential suppliers as well as to federal departments and agencies, and crown corporations covered by NAFTA, the AIT and/or

the AGP. Furthermore, the *Canada-Israel Free Trade Agreement* and the *Canada-Chile Free Trade Agreement* have provisions by which global safeguard inquiries in respect of goods imported from Israël and Chile can be conducted by the Tribunal.

The Tribunal also hears appeals of Revenue Canada decisions made under the *Customs Act*, the *Excise Tax Act* and SIMA. The work of the Tribunal in this area has an impact on Canadian taxpayers, businesses, customs brokers and counsel involved in trade matters.

Pursuant to a reference from the Minister of Finance, the Tribunal investigates requests from domestic producers for tariff relief on imported textile inputs for use in their manufacturing operations and makes recommendations in respect of those requests to the Minister of Finance. The work of the Tribunal under the textile reference is therefore of interest and importance to the apparel and textile sectors of the economy.

Finally, the CITT Act contains broad provisions under which the government or the Minister of Finance may ask the Tribunal to conduct an inquiry on any economic, trade, tariff or commercial matter. In an inquiry, the Tribunal acts in an advisory capacity, with powers to conduct research, receive submissions and representations, find facts, hold public hearings and report, with recommendations as required, to the government or the Minister of Finance. Through these references, the work of the Tribunal is of interest and importance to key sectors of the Canadian economy.

Information Technology

Since the beginning of its operations in December 1998, the Tribunal has been committed to making optimal use of information technology in its operations. Through the years, the Tribunal has put in place an office suite that allows it to concentrate its human resources on higher value added tasks. The Tribunal has also developed a number of databases and applications which allow for the efficient management of the different components of its mandate.

The Tribunal recognizes the importance of using information technology to provide access to its decisions and publications to various groups of stakeholders. In this regard, the Tribunal has developed a sophisticated Web site which has been in operation for a few years. The site provides access to a complete repository of decisions rendered by the Tribunal. Those interested in the activities of the Tribunal may be informed through e-mail when new documents are added to the Tribunal's Web site. Our innovations have increased the public's awareness of the Tribunal's activities and services and allowed the Tribunal to reduce significantly its operating expenditures related to the reproduction and mailing of various documents. Furthermore, the Tribunal has used videoconferencing technology as a substitute to regional hearings. This initiative allows Canadian taxpayers to have their "day in court" without the expenses associated with an Ottawa hearing. It also allows the Tribunal to deal expeditiously with these appeals and avoid the growth of the backlog of appeals to be heard.

Always in search of innovative approaches by which the efficiency of its operations can be improved, the Tribunal is undertaking an initiative aimed at automating the official administrative record in its proceedings. This initiative contemplates the scanning of all documents making up the official administrative record in an inquiry and its storage on optical support (CD-ROM). This initiative will make the consultation of the official administrative record more efficient and more expeditious. The Tribunal plans to use this application of information technology in the hearing room as a mean of better managing hearing time. The Tribunal is also studying the feasibility of using secured communications for the exchange of documents with parties registered in a proceeding.

The sum of these measures will allow the Tribunal to manage more efficiently activities related to the production of the official administrative record and to hearing room proceedings.

D. Financial Spending Plan

(\$ thousands)	Forecast Spending 1998-99	Planned Spending 1999-00	Planned Spending 2000-01	Planned Spending 2001-02
Gross Program Spending: Canadian International Trade Tribunal	8,413	8,486	8,482	8,482
Plus: Cost of Services Provided by Other Departments	1,938	1,938	1,938	1,938
Net Cost of the Agency	10,351	10,424	10,420	10,420

Section III: Plans, Priorities, Strategies and Expected Results

A. Summary of Plans, Priorities, Strategies and Expected Results

The Tribunal's plans and strategies are summarized as follows.

Canadian International Trade Tribunal	
(Plan) Provides to Canadians:	(Strategies) To be demonstrated by:
Support of a fair and open trade system	<ul style="list-style-type: none"> ➤ 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. ➤ The Tribunal's decisions are viewed as fair and impartial by domestic and international stakeholders.

B. Details by Program and Business Line

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

Planned Spending

(\$ thousands)

Business Line	1998-99	1999-00	2000-01	2001-02
	(Forecast)			
Canadian International Trade Tribunal	8,413	8,486	8,482	8,482
Total	8,413	8,486	8,482	8,482

Objective

The objective of the Tribunal's business line is to provide a fair and efficient trade remedy 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 Canadian producers more competitive in the global trade environment.

Key Plans and Strategies

In order to provide an effective support for a fair and open trading system, the Tribunal has established the following strategic objectives:

- to meet all statutory deadlines in the exercise of its jurisdiction;
- to hear appeals that fall within the Tribunal's jurisdiction pursuant to any act of Parliament or regulations thereunder and to make decisions expeditiously;
- to maintain the quality of the Tribunal's findings, determinations and recommendations; and
- to ensure the Tribunal's independence as a quasi-judicial organization.

In addition to these overall strategies, the Tribunal has established a number of operational strategies that will allow the achievement of its strategic objectives. These operational strategies include:

- to provide an in-depth training program for newly appointed members and to continually improve the skills of existing members;
- to maintain and continue to improve its level of service to the public and to meet all statutory requirements within budgetary limits;
- to review its Rules of Procedure to make them more efficient and to reflect technological innovations that have an impact on its operations;
- to review its processes and procedures with a view to streamlining and optimizing them; and
- to maximize the use of information technology in its operations.

Expected Results

The strategies outlined above are expected to provide the following results:

- Tribunal decisions that are upheld by national and international appeal bodies;
- Tribunal recommendations that are implemented by the government;
- publication of the Tribunal's decisions in a timely way; and
- enhanced and continually improving levels of service to the public through the use of the latest available information technology tools. For example, the Tribunal makes use of videoconferencing to deal expeditiously with appeals of Revenue Canada decisions, irrespective of the appellant's geographic location, and of its Web site to showcase its products.

With those results, the Tribunal is in a position to continue to be a key player within Canada's trade remedy system.

Consolidated Reporting

There are currently two regulatory initiatives under way which will affect the Tribunal's procedures. First, the Tribunal has undertaken an extensive review of the *Canadian International Trade Tribunal Rules* (Tribunal's Rules of Procedure) in order to eliminate unnecessary rules, increase efficiency and transparency and preserve fairness. The proposed amendments will facilitate procedures arising from technological changes since the Tribunal's Rules of Procedure were enacted in 1991 (for example, electronic filing of documents). It is expected that this initiative will enhance access by Canadians to the Tribunal, as well as provide greater transparency. These proposed changes will formalize some practices which were informally part of our proceedings (for example, requests for information and production of documents). Other proposed changes are required in order to respond to changes flowing from the *World Trade Organization Agreement Implementation Act* (for example, procedures to facilitate mid-term reviews in safeguard proceedings).

The second regulatory initiative flows from legislative changes which are expected to be made to the CITT Act and SIMA. Beginning with a parliamentary review of SIMA in 1996, a number of legislative changes have been proposed to SIMA and, to a lesser degree, to the CITT Act. These proposed changes were submitted to Parliament in 1998. This legislative initiative is being led by the Department of Finance, which has consulted with all affected departments, including the Tribunal. Some of the legislative changes (for example, reassigning the responsibility for the preliminary determination of injury and interim expiry reviews and revising the public interest provisions) will require changes to the Tribunal's Rules of Procedure.

The proposed changes to SIMA will result in changes to the *Special Import Measures Regulations*. In turn, it is expected that the Tribunal's Rules of Procedure will be amended to respond to those changes. The changes to the Tribunal's Rules of Procedure necessitated by the legislative initiative largely relate to information gathering needs which the Tribunal will have as a result of the changes.

These initiatives are both deemed to be low cost.

<u>Legislative Acts and/or Regulations</u>	<u>Expected Results</u>
<p>Dumping and subsidizing legislation - The Department of Finance is proposing legislative changes to SIMA and the CITT Act which will modify the way a dumping and subsidizing investigation is conducted by the Tribunal. Changes will give the Tribunal increased authority and involvement in areas such as the preliminary determination of injury and public interest inquiries. Changes will also be made to the way in which the Tribunal grants access to confidential information. Consequently, changes will be necessary to the Tribunal's Rules of Procedure.</p>	<p>More effective use of the Tribunal's expertise in respect of injury in public interest determinations. Increased efficiency in the conduct of dumping and subsidizing cases.</p>
<p>Tribunal's Rules of Procedure - The Tribunal is proposing to amend the Rules of Procedure in order to eliminate unnecessary rules, streamline procedures, increase transparency and accommodate technological change.</p>	<p>Increased efficiency and transparency with respect to Tribunal procedures.</p>

Section IV: Supplementary Information

Table 1: Spending Authorities

Personnel Information

Table 2.1: Organization Structure

Table 2.2: Details of FTE Requirements

Additional Financial Information

Table 3: Departmental Summary of Standard Objects by Expenditure

Table 4: Net Cost of Program for 1999-2000

Other Information

Table 5: List of Statutes and Regulations

Table 6: References

Table 1: Spending Authorities

Authorities Contained in Part II of the 1999-2000 Main Estimates		
Vote (\$ thousands)	Main Estimates 1999-00	Main Estimates 1998-99
Canadian International Trade Tribunal		
35 Operating expenditures	7,312	6,951
(S) Contributions to employee benefit plans	1,174	1,185
Total Agency	8,486	8,136

Personnel Information

Table 2: Organization Structure

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Table 2.1: Details of FTE Requirements

(\$)	Forecast 1998-99	Planned 1999-00	Planned 2000-01	Planned 2001-02
Salary Ranges				
<30,000	5	6	6	6
30,000-40,000	21	26	26	26
40,000-50,000	15	16	16	16
50,000-60,000	7	8	8	8
60,000-70,000	6	7	7	7
70,000-80,000	15	15	15	15
>80,000	15	16	16	16
Total	84	94	94	94

Additional Financial Information**Table 3: Departmental Summary of Standard Objects by Expenditure**

(\$ thousands)	Forecast Spending 1998-99	Planned Spending 1999-00	Planned Spending 2000-01	Planned Spending 2001-02
Personnel				
Salaries and Wages	5,632	5,868	5,865	5,865
Contribution to Employee Benefit Plans	1,126	1,174	1,173	1,173
Total	6,758	7,042	7,038	7,038
Goods and Services				
Transportation and Communications	338	391	391	391
Information	60	69	69	69
Professional and Special Services	567	444	444	444
Rentals	88	69	69	69
Purchased Repair and Maintenance	107	59	59	59
Utilities, Materials and Supplies	212	211	211	211
Acquisition of Machinery and Equipment	272	198	198	198
Other Subsidies and Payments	11	3	3	3
Total Operating	1,655	1,444	1,444	1,444
Total	8,413	8,486	8,482	8,482

Table 4: Net Cost of Program for 1999-00

(\$ thousands)	Total Department
Gross Planned Spending	8,486
Plus:	
<i>Services received without charge:</i>	
Accommodation Provided by the Department of Public Works and Government Services Canada (PWGSC)	1,615
Contributions Covering Employer's Share of Employees' Insurance Premiums and Costs Paid by Treasury Board Secretariat	323
1999-00 Estimated Net Program Cost	10,424
1998-99 Estimated Net Program Cost	10,351

Other Information**Table 5: List of Statutes and Regulations**

<i>Canadian International Trade Tribunal Act</i>	R.S.C. 1985, c. 47 (4th Supp.)
<i>Customs Act</i>	R.S.C. 1985, c. 1 (2nd Supp.)
<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, c. 12 (3rd Supp.)
<i>Energy Administration Act</i>	R.S.C. 1985, c. E-6
<i>Canadian International Trade Tribunal Regulations</i>	SOR/89-35, December 27, 1988, <i>Canada Gazette</i> Part II, Vol. 123, No. 2 at 255
<i>Canadian International Trade Tribunal Rules</i>	SOR/ 91-499, August 14, 1991, <i>Canada Gazette</i> Part II, Vol. 125, No. 18 at 2912
<i>Canadian International Trade Tribunal Procurement Inquiry Regulations</i>	SOR/93-602, December 15, 1993, <i>Canada Gazette</i> Part II, Vol. 127, No. 26 at 4547

In addition, the following agreements also impact the work of the Tribunal:

Agreement on Internal Trade
Canada-Israel Free Trade Agreement
Canada-Chile Free Trade Agreement
North American Free Trade Agreement
 World Trade Organization Agreements

Table 6: References

1. Tribunal's Web site

www.citt.gc.ca

2. Publications

Annual Reports

- 1989-90 to 1997-98

Annual Status Reports

- Textile Reference: Annual Status Report - October 1, 1994, to September 30, 1995
- Textile Reference: Annual Status Report - October 1, 1995, to September 30, 1996
- Textile Reference: Annual Status Report - October 1, 1996, to September 30, 1997

Bulletins

Guides

- *Introductory Guide on the Canadian International Trade Tribunal*
- *Procurement Cost Guidelines*
- *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 Matters*
- *Information on Import Safeguard Inquiries and Measures*
- *Information on Procurement Review*
- *Information on Textile Tariff Investigations*

3. Contact for Further Information

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