

**Canadian
International
Trade
Tribunal**

**1998-99
Estimates**

A Report on Plans and Priorities

Approved

Minister of Finance

Table of Contents

SECTION I: MESSAGES	1
A. The Chair's Message	1
B. Management Representation	2
SECTION II: DEPARTMENTAL OVERVIEW	3
A. Mandate, Role and Responsibilities	3
B. Objective	4
C. Financial Spending Plan	4
SECTION III: PLANS, PRIORITIES AND STRATEGIES	5
A. Summary of Key Plans, Priorities and Strategies	5
B. Details by Program and Business Line	6
Objective	7
External Factors Influencing the Business Line	7
Key Plans and Strategies	8
Expected Results	9
SECTION IV: SUPPLEMENTARY INFORMATION	10
Table 1: Spending Authorities Summary	11
Table 2: Organization Structure	11
Table 2.1: Details of FTE Requirements	12
Table 3: Departmental Summary of Standard Objects by Expenditure	12
Table 4: Net Cost of Program for 1998-99	13
Table 5: List of Statutes and Regulations	13
Table 6: References	14
INDEX	15

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 1998-99.

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) and the World Trade Organization (WTO) agreements.

In order to fulfill its mandate, 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.

The Tribunal's RPP for 1998-99 reflects its continued commitment to this strategic objective and the maintenance of the quality of the Tribunal's findings, determinations and recommendations.

Pierre Gosselin
Chair

B. Management Representation

MANAGEMENT REPRESENTATION Report on Plans and Priorities 1998-99

I submit, for tabling in Parliament, the 1998-99 RPP for the 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 ensure that Canada can rely on a fair and efficient trade remedy system and that the government, through the Tribunal's fact-finding inquiries and standing reference, can formulate strategies aimed at making Canadian producers more competitive in the global trade environment.

C. Financial Spending Plan

(\$ thousands)	Planned Spending 1997-98	Planned Spending 1998-99	Planned Spending 1999-00	Planned Spending 2000-01
Gross Program Spending: Canadian International Trade Tribunal	7,949	8,136	8,029	8,029
Plus: Cost of Services Provided by Other Departments	1,695	1,695	1,695	1,695
Net Cost of the Program	9,644	9,831	9,724	9,724

Section III: Plans, Priorities and Strategies

A. Summary of Key Plans, Priorities and Strategies

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.

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 are expected to be put before 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>

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	1997-98	1998-99	1999-00	2000-01
Canadian International Trade Tribunal	7,949	8,136	8,029	8,029
Total	7,949	8,136	8,029	8,029

Objective

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

External Factors Influencing the Business Line

The economic climate is a key external factor affecting the work of the Tribunal. It is a responsive institution reacting entirely to external demand. It may not refuse any reference from the Governor in Council or Minister of Finance or turn away any individual, organization or firm that meets the minimum conditions for access. Downturns in the domestic and global economies usually lead to a deterioration of markets and to increased competition for the remaining businesses. At such times, domestic producers become increasingly sensitive to competition from imports and increasingly likely to seek protection from unfair trade practices. This generally leads to a larger number of inquiries in response to dumping and/or subsidizing complaints. The Canadian industry is also sensitive to trade petitions and actions brought in the United States where there is a risk of trade diversion from the United States to Canada of imports. Moreover, as Canadian trade liberalizes and US tariffs decrease, the Tribunal's procedures become increasingly important to Canadian businesses as one of the only remaining bulwarks against unfair trade.

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. For example, on December 16, 1997, the Governor in Council, on the recommendation of the Minister of Finance, the Minister of Agriculture and Agri-Food and the Minister for International Trade, directed the Tribunal to forthwith inquire into the matter of the importation of dairy product blends outside the coverage of Canada's tariff-rate quotas.

The government's legislative review initiatives relating to SIMA and the *Customs Act* will affect the Tribunal's business line. Amendments to be made to SIMA will confer additional responsibilities on the Tribunal in the areas of the preliminary determination of injury, the

carrying out of discrete reviews of the Tribunal's findings in place and the question of public interest. As for changes being considered for the *Customs Act*, the removal of one level of appeal within Revenue Canada could have a significant impact on the work of the Tribunal relating to appeals of Revenue Canada decisions.

Canadian trade policies also have an impact on the Tribunal's business line. As a result of the *Canada-Israel Free Trade Agreement Implementation Act*, the CITT Act had to be amended in the area of safeguards. When the *Canada-Chile Free Trade Agreement Implementation Act* comes into force, the CITT Act will be further amended in the area of safeguards to reflect similar changes.

Finally, greater awareness by potential suppliers of the Tribunal's jurisdiction relating to bid challenge under NAFTA and the AIT would seem to explain, in part, the greater number of complaints filed with the Tribunal. Fiscal year 1997-98 will likely see a substantial increase in the number of procurement complaints filed with the Tribunal.

Key Plans and Strategies

In order to provide effective support for a fair and open trade 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;
- 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 key results, the Tribunal is in a position to continue to be a key player within Canada's trade remedy system.

Section IV: Supplementary Information

Table 1: Spending Authorities Summary

Personnel Information

Table 2: Organization Structure

Table 2.1: Details of FTE Requirements

Additional Financial Information

Table 3: Departmental Summary of Standard Objects by Expenditure

Table 4: Net Cost of Program for 1998-99

Other Information

Table 5: List of Statutes and Regulations

Table 6: References

Table 1: Spending Authorities Summary

Summary of Authorities Contained in Part II of the 1998-99 Main Estimates			
Vote (\$ thousands)		Main Estimates 1998-99	Main Estimates 1997-98
Canadian International Trade Tribunal			
35	Operating Expenditures	6,951	6,962
(S)	Contributions to Employee Benefit Plans	1,185	987
Total Department		8,136	7,949

Personnel Information

Table 2: Organization Structure

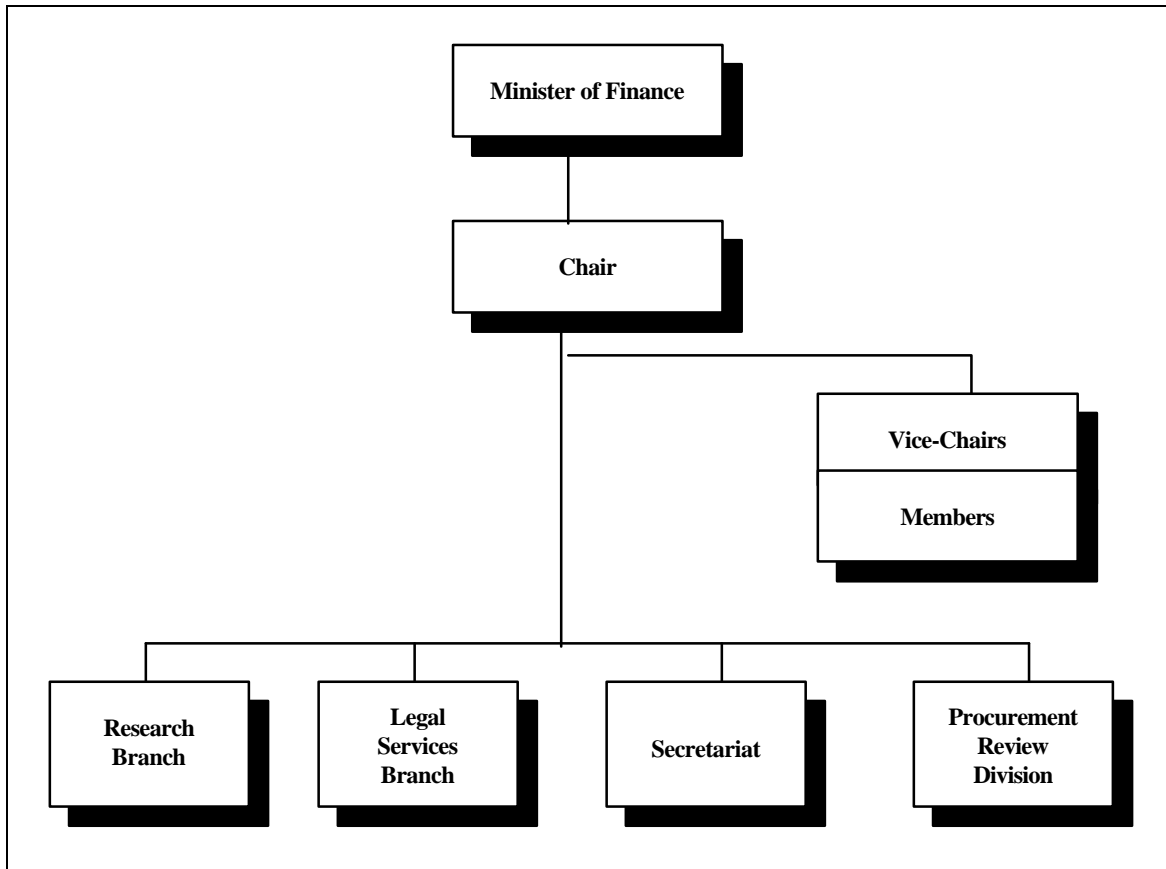


Table 2.1: Details of FTE Requirements

(\$)	Forecast 1997-98	Planned 1998-99	Planned 1999-00	Planned 2000-01
Salary Ranges				
<30,000	18	17	17	17
30,000-40,000	1	8	8	8
40,000-50,000	34	23	23	23
50,000-60,000	1	2	2	2
60,000-70,000	11	14	14	14
70,000-80,000	18	15	15	15
>80,000	15	15	15	15
Total	98	94	94	94

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

(\$ thousands)	Forecast Spending 1997-98	Planned Spending 1998-99	Planned Spending 1999-00	Planned Spending 2000-01
Personnel				
Salaries and Wages	5,374	5,644	5,679	5,679
Contribution to Employee Benefit Plans	914	1,185	1,193	1,193
Total	6,288	6,829	6,872	6,872
Goods and Services				
Transportation and Communications	358	271	271	271
Information	89	69	69	69
Professional and Special Services	593	427	377	377
Rentals	80	69	69	69
Purchased Repair and Maintenance	55	59	59	59
Utilities, Materials and Supplies	233	211	211	211
Other Subsidies and Payments	2	3	3	3
Total Operating	1,410	1,109	1,059	1,059
Capital				
Acquisition of Machinery and Equipment	104	198	98	98
Total	7,802	8,136	8,029	8,029

Table 4: Net Cost of Program for 1998-99

(\$ thousands)	Total Department
Gross Planned Spending	8,136
Plus:	
Accommodation Provided by the Department of Public Works and Government Services	1,695
Contributions Covering Employer's Share of Insurance Premiums and Costs Paid by Treasury Board Secretariat	459
1998-99 Estimated Net Program Cost	10,290

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
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 1996-97

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

Bulletins

Guides

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

Pamphlets

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

3. Contact for Further Information

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Index

AIT (Agreement on Internal Trade).....	1, 3, 8
Bid Challenge.....	8
Business Line.....	4, 6, 7, 8
Canada-Chile Free Trade Agreement Implementation Act.....	8
Canada-Israel Free Trade Agreement Implementation Act.....	8
CITT Act (Canadian International Trade Tribunal Act).....	3, 5, 6, 7, 8, 13
Cost of Program (Net).....	4, 13
Customs Act.....	3, 7, 8, 13
Dairy Product Blends.....	7
Dumping.....	3, 6, 7, 14
Excise Tax Act.....	3, 13
FTE (Full-Time Equivalents).....	12
Information Technology.....	8, 9
NAFTA (North American Free Trade Agreement).....	1, 3, 8, 13
Organization Structure.....	11
Plans.....	1, 2, 5, 8
Priorities.....	1, 2, 5
Procurement.....	3, 6, 8, 13, 14
Publications.....	14
Regulatory Initiatives.....	5
Revenue Canada.....	3, 8, 9
Reviews.....	5, 8, 14
Rules of Procedure.....	5, 6, 8
Special Import Measures Act (SIMA).....	3, 5, 6, 7, 14
Spending Authorities.....	11
Spending Plan.....	4
Standard Objects.....	12
Statutes.....	13
Strategic Objectives.....	8
Strategies.....	2, 3, 4, 5, 7, 8, 9
Subsidizing.....	3, 6, 7, 14
Textile Tariff Relief.....	3
Trade Remedy System.....	1, 3, 4, 7, 9
Web site.....	9, 14
WTO.....	1, 3
WTO Agreement on Government Procurement.....	3