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U.S. Trade Policy Functions: Who Does What?

Background

At the nexus of foreign and domestic policy, U.S. trade policy comprises a distinct set of issues that shape U.S. participation in the global economy and relations with trading partners. U.S. trade policy also affects the overall U.S. economy and standard of living of Americans, as well as specific sectors, firms, and workers. U.S. trade policy involves a range of functions and multiple agencies with different roles in implementing those functions.

U.S. trade policy historically has focused on supporting economic growth and jobs through more open and rules-based trade by negotiating and enforcing reciprocal trade agreements and other measures, while offering relief to specific segments of the U.S. economy affected by trade liberalization and “unfair” foreign trade practices. U.S. trade policy also has aimed to promote trade and investment, while regulating these flows for national security, health, safety, and other reasons. Further aims have included support for economic development in developing countries and expansion of U.S. influence abroad. With ongoing debate about issues such as the effects of trade liberalization, approaches to support U.S. innovation, technological leadership, and critical supply chains, and new trade and investment restrictions against China and Russia, Congress may deliberate on the future direction of U.S. trade policy and the effectiveness of its components. See CRS In Focus IF10156, *U.S. Trade Policy: Background and Current Issues*.

The U.S. Constitution gives Congress power over U.S. trade policy, specifically to levy tariffs and regulate foreign commerce. The President lacks specific authority over trade, but has power over foreign affairs. The executive branch’s role in trade stems from the President’s power to negotiate treaties with other nations, and legislative grants of authority to adjust tariff rates and implement trade policy. At the same time, Congress retains a key role in overseeing and shaping U.S. trade policy and outcomes.

Congress and the President have delegated many trade functions to the Office of the U.S. Trade Representative (USTR) and other executive branch departments and agencies. USTR-led interagency and advisory systems support their trade functions.

Key Federal Trade Agencies

U.S. trade agencies and functions are highlighted below. Program operations may vary (e.g., due to authorization status), and some aspects are subject to ongoing congressional debate.



Office of the U.S. Trade Representative (USTR)

USTR, a Cabinet-level official in the Executive Office of the President, is the President’s principal advisor on trade policy, chief U.S. trade negotiator, and head of the interagency trade policy coordinating process. USTR administers U.S. laws to

combat “unfair” foreign trade practices (e.g., “Section 301”), and trade preference programs for developing countries.

In creating and elevating USTR, Congress aimed to balance competing interests between U.S. domestic and foreign policy, among trade-related agencies, and of domestic stakeholders. Congress also aimed to address concerns that trade interests were being overlooked under the State Department’s historical lead. Milestones in USTR’s evolution include the

- *Trade Expansion Act of 1962*. Created an ambassador-level Special Representative for Trade Negotiations (precursor to USTR) to lead the new interagency system to coordinate trade policy, which the act also created.
- *Trade Act of 1974*. Designated the Special Representative as the chief U.S. trade negotiator, lead of the trade agreements program, and head of the new private sector advisory committee system, which the act also created. Elevated position to cabinet rank and placed it in the White House.
- *Trade Agreements Act of 1979*. Required the President to submit a trade reorganization plan, including to boost the Special Representative’s coordination and functional roles.
- *Omnibus Trade and Competitiveness Act of 1988*. Elevated USTR to coordinate trade policy, serve as the President’s principal trade advisor and trade “spokesperson,” and lead U.S. international trade negotiations. Required USTR to report to both the President and Congress.



Department of Commerce

Commerce conducts many non-agricultural trade functions.

- The International Trade Administration (ITA), supported by U.S. and foreign commercial service officers, provides market research, business connections, and other services to promote U.S. exports and attract foreign investment. It also conducts antidumping and countervailing duty (AD/CVD) investigations to address potential adverse effects on U.S. industry of “unfair” foreign trade practices, and monitors foreign compliance with U.S. trade agreements.
- The Bureau of Industry and Security (BIS) administers licensing and civil enforcement functions for dual-use exports. It also investigates whether certain imports harm, or threaten to harm, national security (“Section 232”).
- The Economic Development Administration (EDA) manages Trade Adjustment Assistance (TAA) to help U.S. firms affected by import competition and trade liberalization.
- The Bureau of Economic Analysis (BEA) and Census Bureau collect, analyze, and disseminate trade data.



The U.S. Department of Agriculture

USDA aims to promote and regulate U.S. agricultural trade, weighing in on agriculture issues in U.S. trade negotiations.

- The Animal and Plant Health Inspection Service (APHIS) works to prevent plant and animal pests and diseases from entering U.S. borders.
- The Food Safety and Inspection Service (FSIS) regulates U.S. meat, poultry, and egg products, including imports.

- The Foreign Agricultural Service (FAS) administers U.S. agricultural export financing and assistance, U.S. quotas against agricultural imports, and TAA for farmers.



U.S. Department of Health and Human Services

HHS weighs in on trade policy issues that can affect public health, such as food products (not regulated by USDA), cosmetics, drugs, and medical devices. HHS's Food and Drug Administration (FDA) regulates products produced domestically and abroad for safety, security, and efficacy.



U.S. Department of Homeland Security

DHS seeks to secure U.S. borders while enabling legitimate trade. Customs and Border Protection (CBP) of DHS facilitates the flow of goods through U.S. ports of entry. CBP collects tariffs and enforces trade laws at the border. It works with DHS's Immigration and Customs Enforcement (ICE).



U.S. Department of Labor

DOL provides U.S. representation in international negotiations before the International Labor Organization (ILO), monitors compliance with the labor chapters of U.S. trade agreements, tracks eligibility for certain trade preferences, and administers the TAA program for workers.



U.S. Department of State

State oversees U.S. trade and economic relationships through its bureaus and embassies to advance U.S. trade policy consistent with national security and foreign policy priorities. It supports U.S. trade agreement negotiations and enforcement, co-leads with USTR the U.S. bilateral investment treaty program, advocates for U.S. business interests abroad, and licenses U.S. munitions exports, among other things.



U.S. Department of the Treasury

Treasury is the lead agency on international economic matters. For U.S. trade agreement negotiations, it leads on currency provisions, and jointly leads with USTR on financial services. It heads U.S. participation in the G-20 and G-7 forums, chairs the Committee on Foreign Investment in the United States (CFIUS) to examine inbound investment for national security implications, and administers U.S. sanctions via the Office of Foreign Assets Control (OFAC). Per an August 2023 executive order, Treasury is to develop a program to prohibit or require notification of certain outbound investments that may have national security risks.

DFC U.S. International Development Finance Corp.

DFC aims to promote private investment generally in less-developed countries by providing financing, political risk insurance, equity support, and technical assistance. It seeks to support development impact in partner countries and to advance U.S. economic and U.S. foreign policy objectives.



Export-Import Bank

Ex-Im Bank finances and insures U.S. exports to support U.S. jobs. It aims to fill gaps in private sector support and/or to counter foreign government-backed export credit competition. It supports exporters of all sizes and sectors.



Small Business Administration

SBA conducts certain trade and export promotion financing for U.S. small businesses (terms vary from Ex-Im Bank). SBA's State Trade Expansion Program (STEP) administers grants for states to conduct trade show exhibits, training workshops, and other activities to help small businesses.



U.S. Agency for International Development

USAID focuses on economic matters affecting U.S. relations with developing countries. It manages trade capacity building programs to promote economic growth in developing countries, reduce poverty, and support trade liberalization.



U.S. Trade and Development Agency

TDA aims to support U.S. jobs by linking U.S. firms to export opportunities for infrastructure and other projects in emerging economies. It funds feasibility studies, reverse trade missions to bring foreign buyers to the United States, and other project preparation/partnership-building activities.



International Trade Commission

ITC investigates AD/CVD cases (with ITA), safeguard cases on temporary relief from import surges of "fairly" traded goods ("Section 201"), and alleged violations of U.S. intellectual property rights (IPR) ("Section 337"). It provides trade analysis to Congress, the President, and USTR; and maintains the U.S. Harmonized Tariff Schedule (HTS).

Interagency and Advisory Systems

Established by Congress in 1962, a USTR-led interagency system supports trade policy coordination. Members draw from key trade agencies and White House bodies. As it has evolved, the system has tiers through which trade matters percolate up. The *Trade Policy Staff Committee (TPSC)*, chaired by USTR and composed of senior civil servants, develops and reviews policy and negotiating documents. If consensus fails or key issues are at stake, matters may be referred to the USTR-chaired *Trade Policy Review Group (TPRG)*, which coordinates at the Deputy USTR/Assistant Secretary level, or to the Cabinet level.

An advisory committee system, established by Congress in 1974, brings public and private input to U.S. trade policy and trade negotiating objectives. Managed by USTR—with USDA, Commerce, and Labor collaboration—the system has up to approximately 700 advisors.

- The high-level *President's Advisory Committee for Trade Policy and Negotiations (ACTPN)* examines U.S. trade policy and agreements for the overall national interest. Members represent key sectors.
- *Policy advisory committees* (agricultural, inter-governmental, labor, Africa, and environment) examine issues from their specific policy lens.
- Sectoral and technical input comes from *Agricultural Technical Advisory Committees (ATACs)* and *Industry Trade Advisory Committees (ITACs)*.

Other interagency and advisory bodies provide support on specific trade matters.

Issues for Congress

Policy issues on which Congress may deliberate include

- whether to adjust trade authorities that it has granted to the executive vis-à-vis the congressional role;
- how to ensure that trade functions and agency roles are well-coordinated and effectively advance policy aims;
- whether trade agency roles present any issues of overlap and whether their operations are efficient; and
- how best to balance diverse stakeholder views and support a coherent U.S. trade policy voice.

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Shayerah I. Akhtar, Specialist in International Trade and Finance

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