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# U.S. Trade Policy: Trade Functions of Key Federal Agencies

U.S. trade policy lies at a nexus of foreign and domestic policy. It comprises issues that shape U.S. participation in the global economy and relations with trading partners. It also affects the U.S. domestic economy, with impacts that may reach across sectors, firms, and workers, and that may help shape living standards. Implementation of U.S. trade policy involves a range of federal agencies and interagency and advisory systems. Congress has an interest in examining the trade functions of federal agencies. Congress at times has considered reorganization of U.S. trade agencies and their functions.

## Overview of Agency Trade Roles

A number of federal agencies have fulfilled trade functions, as summarized below.

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

The U.S. Trade Representative heads the Office of the USTR in the Executive Office of the President (EOP). USTR has led U.S. international trade agreement negotiations and other dialogues, with interagency and advisory input (see "Trade Interagency and Advisory Systems" below). USTR also has administered laws to combat "unfair" foreign trade practices (e.g., Sec. 301 of Trade Act of 1974) and administered trade preference agreements that allow certain imports from qualifying developing countries to enter the United States duty-free (e.g., Generalized System of Preferences, GSP).

By statute, USTR's duties include to:

- have "primary responsibility for developing, and for coordinating the implementation of," U.S. trade policy;
- serve as the President's "principal advisor" on trade policy;
- have "lead responsibility" for conducting, and serving as the "chief representative of the United States" for, international trade negotiations;
- "issue and coordinate policy guidance to departments and agencies" regarding trade matters to "assure the coordination of international trade policy";
- serve as the President's "principal spokesman" on trade;
- "report directly" to the President and Congress regarding trade agreements programs, as well as to "be responsible to" both for the administration of such programs; and
- serve as "chairman of the interagency trade organization," and consult with and be advised by it.

USTR's precursor was the Special Representative for Trade Negotiations (here, "Special Representative"), an ambassador-level position created by the *Trade Expansion Act of 1962*. USTR's role has evolved statutorily. For example, the *Trade Act of 1974* established an office in the EOP to be headed by the Special Representative, and elevated the position to the pay level commensurate with that of Cabinet members. The *Trade Agreements Act of 1979* directed the President to submit a reorganization plan to Congress to boost the Special Representative's coordination and functional roles. That plan, submitted in 1979, redesignated the Special Representative as USTR and specified the position's duties, many of which are reflected in the *Omnibus Trade and Competitiveness Act of 1988*.

### Department of Commerce

Several agencies within the Department of Commerce have conducted non-agricultural trade functions, including as follows.

- The International Trade Administration (ITA) has provided services such as market research and counseling, and avenues to connect U.S. businesses with foreign buyers and investors to promote U.S. exports and/or attract foreign investment. ITA has also conducted antidumping and countervailing duty (AD/CVD) investigations to address potential adverse effects on U.S. industry of "unfair" foreign trade practices, and monitored compliance with U.S. trade agreements.
- The Bureau of Industry and Security (BIS) has administered licensing and civil enforcement functions for dual-use exports (i.e., with both civil and military uses). BIS has also investigated whether certain imports "threaten to impair" national security (Sec. 232 of Trade Expansion Act of 1962).
- The Economic Development Administration (EDA) has managed Trade Adjustment Assistance (TAA), which has aimed to help U.S. firms affected by import competition.
- The Bureau of Economic Analysis (BEA) and Census Bureau have collected, analyzed, and disseminated trade data.

### U.S. Department of Agriculture (USDA)

USDA has promoted and regulated U.S. agriculture trade, providing input on agricultural issues in U.S. trade negotiations. Key USDA agencies have included the following.

- The Animal and Plant Health Inspection Service (APHIS) has focused on preventing plant and animal pests and diseases from entering U.S. borders.
- The Food Safety and Inspection Service (FSIS) has regulated U.S. meat, poultry, catfish, and egg products, including imports.
- The Foreign Agricultural Service (FAS) has administered U.S. agricultural export promotion and credit guarantee programs, agricultural trade capacity building programs, and U.S. tariff rate quotas for dairy and sugar imports.

### U.S. Department of Health and Human Services

The Department of Health and Human Services (HHS), including through its Office of Global Affairs' Trade and Health Office, has provided input on trade issues that it determines may affect public health, such as those involving food products (not regulated by USDA), cosmetics, drugs, and medical devices. The Food and Drug Administration, which is part of HHS, has regulated food and medical products, produced or manufactured domestically or abroad and imported in the United States, for safety, security, and efficacy.

### U.S. Department of Homeland Security (DHS)

DHS has sought to secure U.S. borders and counter illicit trade while enabling legitimate trade. Its Customs and Border Protection (CBP) has had primary responsibility to facilitate the flow of goods through U.S. ports of entry, collect tariffs, and enforce trade laws at the border (e.g., AD/CVD orders, ban on imports produced by forced labor).

### U.S. Department of Labor (DOL)

DOL has represented the United States in international negotiations before the International Labor Organization, monitored and enforced compliance with labor chapters of U.S. trade agreements, tracked country eligibility for certain trade preferences, and administered TAA for workers.

### U.S. Department of State

The Department of State has coordinated 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 has supported U.S. trade agreement negotiations and enforcement, co-led the U.S. bilateral investment treaty program with USTR, advocated for U.S. business interests abroad, and licensed U.S. munitions exports.

### U.S. Department of the Treasury

The Department of the Treasury has led on most international financial matters. For U.S. trade negotiations, it has led on currency provisions and jointly led with USTR on financial services. It has also led U.S. participation in the G-20 and G-7 forums, chaired the interagency Committee on Foreign Investment in the United States (CFIUS) to examine inbound investment for national security implications, and administered U.S. sanctions via the Office of Foreign Assets Control (OFAC). As of January 2025, Treasury has administered a new Outbound Investment Security Program focused on U.S. investments in countries deemed by the President as "countries of concern," currently defined as the People's Republic of China, including Hong Kong and Macau, involving certain sensitive technologies and products.

### U.S. International Development Finance Corp.

DFC has promoted private investment, generally in less-developed countries, through credit, insurance, equity, and technical assistance. It has sought to support development impact in partner countries and advance U.S. economic interests and foreign policy interests, including to strengthen and diversify supply chains in various sectors.

### Export-Import Bank of the United States

Ex-Im Bank has financed and insured U.S. exports of businesses of all sizes and across sectors to support U.S. jobs. It has aimed to fill gaps in private sector financing, and counter foreign government-backed export credit financing. It has had specific programming to counter China's export financing and support export-oriented domestic manufacturing.

### Small Business Administration

SBA's Office of International Trade has helped U.S. small businesses access financing and other assistance for export promotion. Its State Trade Expansion Program (STEP) has administered grants for states to conduct trade show exhibits, training workshops, and other activities for small businesses.

### U.S. Agency for International Development

USAID has delivered foreign assistance programs in developing countries, including trade capacity building programs to promote economic growth, reduce poverty, and support trade liberalization. It has also provided assistance for meeting bilateral and multilateral trade agreement obligations and in some regions its programs have supported regional economic integration.

### U.S. Trade and Development Agency (USTDA)

USTDA has aimed to support U.S. jobs by linking U.S. firms to export opportunities in infrastructure and other sectors in emerging economies. It has funded: feasibility studies, reverse trade missions bringing foreign buyers to the United States, and other project preparation and partnership-building activity.

### U.S. International Trade Commission (ITC)

ITC has investigated: AD/CVD cases (with ITA), safeguard cases regarding import surges of "fairly" traded goods (Sec. 201 of Trade Act of 1974), and alleged violations of U.S. intellectual property rights (Sec. 337 of the Tariff Act of 1930). It has provided trade analysis to Congress, the President, and USTR; and maintained the U.S. Harmonized Tariff Schedule.

## Trade Interagency and Advisory Systems

A USTR-led interagency system, established in 1962 (19 U.S.C. §1872), has supported trade policy development and coordination. It has developed and reviewed policy and negotiating documents and advised USTR on trade matters. Its members have drawn from select trade agencies and White House bodies. The USTR-chaired *Trade Policy Staff Committee (TPSC)* has been comprised of senior civil servants, with subcommittees on specific issues (e.g., GSP). The USTR-chaired *Trade Policy Review Group (TPRG)* has been comprised of members at the Deputy/Under Secretary level. Issues under consideration in the TPSC have been referred to the TPRG or to the Cabinet level.

An advisory committee system, established in 1974 (19 U.S.C. §2155), has brought public and private input to U.S. trade policy, representing various interests (e.g., industry, labor). It has been managed by USTR, in collaboration with other agencies (e.g., USDA, Commerce, and Labor). The committees have been:

- The *President's Advisory Committee for Trade Policy and Negotiations (ACTPN)*, which has examined U.S. trade policy and agreements for the national interest.
- *Policy advisory committees* (agricultural, inter-governmental, labor, Africa, and environment), which have examined issues from their specific policy lens.
- *Agricultural Technical Advisory Committees (ATACs)* and *Industry Trade Advisory Committees (ITACs)*, which have provided sectoral and technical input.

## Issues for Congress

Policy issues on which Congress may deliberate include

- whether to restrict, expand, or maintain trade authorities now exercised by the executive or otherwise delegated by Congress to the executive;
- whether to maintain or modify trade agencies' roles, functions, and resources;
- whether current trade functions pose overlap or efficiency concerns and whether any such concerns may be addressed through re-organization; and
- whether, and if so how, to ensure representation of stakeholder views in trade policymaking.

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