

U.S. Congress and Trade Policy

www.house.gov and www.senate.gov

CONTACT INFORMATION

Committee on Ways and Means
United States House of Representatives
Washington, DC 20515

Switchboard: (202)-224-3121
www.waysandmeans.house.gov

Senate Finance Committee
United States Senate
Washington, DC 20510

Switchboard: (202)-224-3121
www.finance.senate.gov

ABOUT

The Congress consists of two houses: the House of Representatives and the Senate. House members are elected in districts apportioned by population; each state elects two Senators for the Senate. New legislation must pass both houses before the bill is sent to the president, who may sign or veto the proposed law. A two-thirds majority of both houses may vote to override a presidential veto. The Congress also oversees implementation of U.S. law by the President and the Executive Branch.

ROLE IN TRADE

The U.S. Constitution grants the legislative branch authority to regulate international trade including establishing tariffs, drafting and implementing trade agreements, and other provisions affecting commerce within the United States. The House Ways and Means Committee and the Senate Finance Committee have primary congressional jurisdiction on trade matters.

The House Ways and Means Committee is the chief tax-writing body of the House of Representatives and manages provisions for raising government revenues. The Subcommittee on Trade plays the leading role in drafting trade legislation in the House of Representatives and also plays a key oversight role of executive action on trade issues.

Ways and Means' Senate counterpart is the Finance Committee, which addresses trade issues through the Subcommittee for International Trade, Customs, and Global Competitiveness.

Trade Promotion Authority

Trade agreements in the U.S. are implemented through a legislative process involving both the House and Senate. (Note that, in stark contrast, treaties must only be approved by the Senate—with a two-thirds majority---and do not involve the House.)

Under normal legislative rules, House and Senate members may offer amendments to bills either in committee or on the floor. This potentially can complicate international trade negotiations with the U.S. since a final agreement between governments could be altered dramatically through the regular legislative amendment process.

In order to facilitate the passage of trade agreements, Congress has delegated (temporary) Trade Promotion Authority (TPA) to the President. TPA (also known as “fast-track authority”), is a mechanism whereby the Congress defines U.S. negotiating objectives and establishes a consultation process with the Executive Branch as it negotiates trade agreements. Congress delegates negotiating activities to the Executive Branch through TPA. Most importantly, TPA traditionally commits the Congress to vote “yes” or “no” on final agreements, but without any possibility of amendment.

TPA has been part of the U.S. trade negotiation process for over thirty years but expired in 2007. It is under review for extension.

Other Relevant Committees for Trade

Both the Senate and the House have several other committees that can work on legislation relating to trade though with arguably less broad trade responsibility than the Ways and Means Committee and the Senate Finance Committee. For example in the Senate, the Committee on Agriculture, Nutrition, and Forestry has a Subcommittee on Commodities, Markets, Trade and Risk management that deals with legislation relating to agricultural commodities. The relevant committees are listed on the next page.

Institute for International Economic Policy

THE GEORGE WASHINGTON UNIVERSITY

| | Subcommittee | Committee | Relevant Issues | Website |
|---------------|--|---------------------------------------|--|--|
| Senate | Commodities, Markets, Trade, and Risk Management | Agriculture, Nutrition, and Forestry | Regulation of agricultural commodities including sugar cotton, etc | www.ag.senate.gov/about/subcommittees#commodities |
| | Tourism, Competitiveness, and Innovation | Commerce, Science, and Transportation | General oversight jurisdiction over the Department of Commerce, particularly increasing competitiveness and promoting trade and investment, especially in innovation and manufacturing | www.commerce.senate.gov/public/index.cfm?p=tourism-competitiveness-and-innovation |
| House | Commerce, Manufacturing, and Trade | Energy and Commerce | Regulation of commercial practices of the Federal Trade Commission | www.energycommerce.house.gov/subcommittees/commerce-manufacturing-and-trade |
| | Monetary Policy and Trade | Financial Services | Financial aid to commerce, economic stabilization in prices, international finance organizations | www.financialservices.house.gov/113th-congress-subcommittees/monetary-policy-and-trade.htm |
| | Terrorism, Nonproliferation and Trade | Foreign Affairs | Oversees programs that combat terrorism including proliferation through certain traded materials including Overseas Private Investment Corporation , U.S. Trade and Development Agency, and Export-Import Bank | www.foreignaffairs.house.gov/subcommittees/terrorism-nonproliferation-and-trade |
| | Agriculture, Energy, and Trade | Small Business | Oversight of international trade policy including those with assistance to small businesses including SBA, Foreign Agricultural Services, Export-Import Bank | www.smallbusiness.house.gov/about/agenergy.htm |

ADDITIONAL RESOURCES

The House Explained: <http://www.house.gov/content/learn/>

Includes more detail on how the U.S. House of Representative functions to pass bills.

Legislative Process: https://www.senate.gov/pagelayout/legislative/d_three_sections_with_teasers/process.htm

The Senate website explaining how the U.S. Congress passes legislation.

Legislation and Procedure: https://www.senate.gov/pagelayout/reference/two_column_table/Legislation_and_Procedure.htm

A database showing current bills and activity on the Senate floor, as well as powers and procedures.

Doing Business with the House: <http://www.house.gov/content/vendors/>

Outlines the requirements for the government procurement process and how businesses interested in working with the House can get involved.

Legislation and Votes: <http://clerk.house.gov/legislative/legvotes.aspx>

A database showing current bills and activity on the House floor.
