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Trump budget would beef up trade representative office to carry out China and Mexico deals

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The White House proposed a $4 million increase for the U.S. Trade Representative's Office in its fiscal year 2021 budget, indicating that the administration sees a need for a greater capacity to manage trade deals and tariffs.

While other agencies and departments are being made to tighten their belts, the administration's budget proposal for the USTR is $73 million, up from $69 million the previous year. The increase goes entirely to personnel compensation and benefits, which is up $5 million over the previous year. The additional funds are needed to monitor completed deals, adjust existing tariffs, and negotiate future trade agreements.

"The boost to USTR’s budget also indicates that trade is likely to remain a top policy tool for the administration if Trump is reelected," said Inu Manak, trade policy expert with the free market Cato Institute. "With many more trade deals lined up for the future, they will certainly need all hands on deck."

The proposed increase comes after the administration completed two of its main trade policy objectives, the U.S.-Mexico-Canada Agreement on trade, and phase one of a trade agreement with Beijing last month. However, the budget notes that in both cases, the agency will be required to execute the provisions of the deals and monitor compliance with their terms, requiring many pairs of hands.

The administration stated that just adjusting the tariffs that the administration has on Chinese products in response to industry requests for products to be excluded from the levies required "a substantial exclusion team of employees, contractors, consultants, and detainees" totaling more than 50 full-time workers. Most of the tariffs on Chinese goods remain in place, so the administration anticipates that team will be needed through the next fiscal year.

Similarly, the administration stated that the USMCA deal will require "robust monitoring and enforcement," including "multiple agencies to be stationed in Mexico."

The USTR has further talks with China planned for the coming year as well as negotiations with the United Kingdom and the European Union. "Each of these trade agreement negotiations is resource intensive, requiring highly capable trade policy analysts and trade attorneys meeting aggressive time schedules both in the U.S. and overseas," the administration stated.

An agency spokesperson could not be reached for comment.