

Special Commentary — November 22, 2024

On What Authority? Options for Trade Policy in 2025

Summary

There's a large degree of uncertainty around coming changes to trade policy, but it's sure to be on the agenda when President-elect Donald Trump retakes the White House early next year. While the President retains near unilateral control of trade policy, he does need to consult with some government agencies to get the job done.

If you've had trouble keeping up with the various trade rules in recent years, you've come to the right place. See below for a snapshot that outlines recently utilized legislation, including who is involved in policy decisions and how quickly changes can occur.

Economist(s)

Tim Quinlan

Senior Economist | Wells Fargo Economics
Tim.Quinlan@wellsfargo.com | 704-410-3283

Shannon Seery Grein

Economist | Wells Fargo Economics
shannon.grein@wellsfargo.com | 704-410-0369

Nicole Cervi

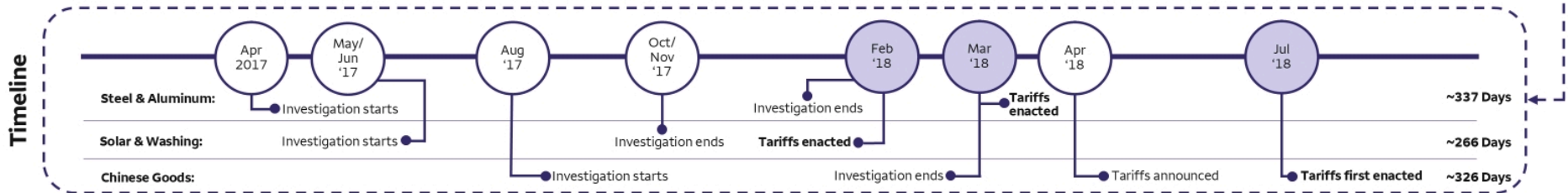
Economist | Wells Fargo Economics
Nicole.Cervi@wellsfargo.com | 704-410-3059

U.S. Tariff Policy 101

Congress has constitutional authority to raise tariffs through the normal legislative process, though it has enacted legislation to delegate trade-related powers to the President. If the President wants to levy tariffs or modify trade policy, he must find the authority in current legislation...

Statute	Description	Key Agency	Timing	Recent Use
Trade Expansion Act of 1962	Empowers President to adjust tariffs on imports that threaten to impair U.S. national security	U.S. Department of Commerce investigates and determines threat	Investigation can take up to 270 days . If threat is affirmed, President has 90 days to analyze findings and then 15 days to implement new policy.	Steel & aluminum tariffs
Trade Act of 1974	Empowers President to raise tariff rates temporarily when a sudden import surge is a cause or threat of serious injury to U.S. industry	International Trade Commission (ITC) investigates and determines threat	Investigation can take up to 150 days . If threat is affirmed, ITC has up to 30 days to present a proposal. If in agreement, President has 60 days to implement new policy.	Washing machine & solar panel tariffs
	Empowers the USTR, at direction of the President, to impose trade restrictions on countries that violate U.S. trade agreements or act in "unjustifiable" ways that burden U.S. commerce	U.S. Trade Representative (USTR) investigates and negotiates with involved trading partner(s)	USTR has 12 to 18 months to seek a negotiated resolution with the involved trading partner(s). If a resolution is not obtained, the USTR can implement new policy.	Variety of tariffs on Chinese Goods
International Emergency Economic Powers Act of 1977	Empowers President to regulate trade transactions, freeze assets and seize the property of actors that pose an unusual and extraordinary threat to the U.S. , only if the President declares a national emergency	President declares a national emergency and gains the authority. Congress can terminate the national emergency through a joint resolution.	President must "immediately" notify Congress of the emergency declaration and specify the provisions. Policy expires if President does not communicate with Congress biannually on the authorities exercised.	Proposed tariff on all Mexican imports, but indefinitely suspended

*Legislation list is not exhaustive and includes the main authorities utilized during the first Trump Presidency.



Source: Congressional Research Service, U.S. International Trade Commission, U.S. Department of Commerce, Office of the U.S. Trade Representative and Wells Fargo Economics

Further Reading

[Tariffs of the Trade](#) (April 2024)

[Stagflation from Higher Tariffs: 1970s Redux?](#) (July 2024)

[Is China Circumventing U.S. Tariffs?](#) (October 2024)

[The 2024 U.S. Elections: Economic Implications](#) (November 2024)

Subscription Information

To subscribe please visit: www.wellsfargo.com/economicsemail

Via The Bloomberg Professional Services at WFRE

Economics Group

Jay H. Bryson, Ph.D.	Chief Economist	704-410-3274	Jay.Bryson@wellsfargo.com
Sam Bullard	Senior Economist	704-410-3280	Sam.Bullard@wellsfargo.com
Nick Bennenbroek	International Economist	212-214-5636	Nicholas.Bennenbroek@wellsfargo.com
Tim Quinlan	Senior Economist	704-410-3283	Tim.Quinlan@wellsfargo.com
Sarah House	Senior Economist	704-410-3282	Sarah.House@wellsfargo.com
Azhar Iqbal	Econometrician	212-214-2029	Azhar.Iqbal@wellsfargo.com
Charlie Dougherty	Senior Economist	212-214-8984	Charles.Dougherty@wellsfargo.com
Michael Pugliese	Senior Economist	212-214-5058	Michael.D.Pugliese@wellsfargo.com
Brendan McKenna	International Economist	212-214-5637	Brendan.Mckenna@wellsfargo.com
Jackie Benson	Economist	704-410-4468	Jackie.Benson@wellsfargo.com
Shannon Grein	Economist	704-410-0369	Shannon.Grein@wellsfargo.com
Nicole Cervi	Economist	704-410-3059	Nicole.Cervi@wellsfargo.com
Jeremiah Kohl	Economic Analyst	212-214-1164	Jeremiah.J.Kohl@wellsfargo.com
Aubrey Woessner	Economic Analyst	704-410-2911	Aubrey.B.Woessner@wellsfargo.com
Delaney Conner	Economic Analyst	704-374-2150	Delaney.Conner@wellsfargo.com
Anna Stein	Economic Analyst	212-214-1063	Anna.H.Stein@wellsfargo.com
Ali Hajibeigi	Economic Analyst	212-214-8253	Ali.Hajibeigi@wellsfargo.com
Coren Miller	Administrative Assistant	704-410-6010	Coren.Miller@wellsfargo.com

Required Disclosures

This report is produced by the Economics Group of Wells Fargo Bank, N.A. (“WFBNA”). This report is not a product of Wells Fargo Global Research and the information contained in this report is not financial research. This report should not be copied, distributed, published or reproduced, in whole or in part. WFBNA distributes this report directly and through affiliates including, but not limited to, Wells Fargo Securities, LLC, Wells Fargo & Company, Wells Fargo Clearing Services, LLC, Wells Fargo Securities International Limited, Wells Fargo Securities Europe S.A., and Wells Fargo Securities Canada, Ltd. Wells Fargo Securities, LLC is registered with the Commodity Futures Trading Commission as a futures commission merchant and is a member in good standing of the National Futures Association. WFBNA is registered with the Commodity Futures Trading Commission as a swap dealer and is a member in good standing of the National Futures Association. Wells Fargo Securities, LLC and WFBNA are generally engaged in the trading of futures and derivative products, any of which may be discussed within this report.

This publication has been prepared for informational purposes only and is not intended as a recommendation, offer or solicitation with respect to the purchase or sale of any security or other financial product, nor does it constitute professional advice. The information in this report has been obtained or derived from sources believed by WFBNA to be reliable, but has not been independently verified by WFBNA, may not be current, and WFBNA has no obligation to provide any updates or changes. All price references and market forecasts are as of the date of the report or such earlier date as may be indicated for a particular price or forecast. The views and opinions expressed in this report are those of its named author(s) or, where no author is indicated, the Economics Group; such views and opinions are not necessarily those of WFBNA and may differ from the views and opinions of other departments or divisions of WFBNA and its affiliates. WFBNA is not providing any financial, economic, legal, accounting, or tax advice or recommendations in this report, neither WFBNA nor any of its affiliates makes any representation or warranty, express or implied, as to the accuracy or completeness of the statements or any information contained in this report, and any liability therefore (including in respect of direct, indirect or consequential loss or damage) is expressly disclaimed. WFBNA is a separate legal entity and distinct from affiliated banks, and is a wholly-owned subsidiary of Wells Fargo & Company. © 2024 Wells Fargo Bank, N.A.

Important Information for Non-U.S. Recipients

For recipients in the United Kingdom, this report is distributed by Wells Fargo Securities International Limited (“WFSIL”). WFSIL is a U.K. incorporated investment firm authorized and regulated by the Financial Conduct Authority (“FCA”). For the purposes of Section 21 of the UK Financial Services and Markets Act 2000 (the “Act”), the content of this report has been approved by WFSIL, an authorized person under the Act. WFSIL does not deal with retail clients as defined in the Directive 2014/65/EU (“MiFID2”). The FCA rules made under the Act for the protection of retail clients will therefore not apply, nor will the Financial Services Compensation Scheme be available. For recipients in the EFTA, this report is distributed by WFSIL. For recipients in the EU, it is distributed by Wells Fargo Securities Europe S.A. (“WFSE”). WFSE is a French incorporated investment firm authorized and regulated by the Autorité de contrôle prudentiel et de résolution and the Autorité des marchés financiers. WFSE does not deal with retail clients as defined in MiFID2. This report is not intended for, and should not be relied upon by, retail clients.

SECURITIES: NOT FDIC-INSURED - MAY LOSE VALUE - NO BANK GUARANTEE