

116TH CONGRESS
2D SESSION

H. R. 7408

To abolish the United States and Foreign Commercial Service, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JUNE 29, 2020

Mr. McCAUL (for himself and Mr. CUELLAR) introduced the following bill; which was referred to the Committee on Foreign Affairs, and in addition to the Committees on Financial Services, and Small Business, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To abolish the United States and Foreign Commercial Service, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Foreign Trade Mod-
5 ernization Act of 2020”.

1 **SEC. 2. ABOLISHMENT OF UNITED STATES AND FOREIGN**
2 **COMMERCIAL SERVICE.**

3 (a) IN GENERAL.—The United States and Foreign
4 Commercial Service is abolished.

5 (b) TRANSFER OF FUNCTIONS.—There are trans-
6 ferred to the Secretary of State all functions that, on the
7 day before the date of the enactment of this Act, were
8 authorized to be performed by the United States and For-
9 eign Commercial Service under any statute, reorganization
10 plan, Executive order, or other provision of law.

11 **SEC. 3. TRANSFER AND ALLOCATION OF PROPERTY AND**
12 **APPROPRIATIONS.**

13 The Secretary of Commerce shall transfer to the Sec-
14 retary of State all contracts, property, records, and unex-
15 pended balance of appropriations, authorizations, alloca-
16 tions, and other funds employed, held, used, arising from,
17 available to, or to be made available in connection with
18 the functions of the United States and Foreign Commer-
19 cial Service transferred under section 2(b), as may be nec-
20 essary to carry out this Act.

21 **SEC. 4. TRANSFER OF PERSONNEL.**

22 (a) IN GENERAL.—Not later than 180 days after the
23 date of the enactment of this Act—

24 (1) the Secretary of Commerce shall transfer to
25 the Department of State those individuals who on
26 the day before the date of the enactment of this Act,

1 were officers or employees of the United States and
2 Foreign Commercial Service; and

3 (2) the Secretary of State shall, in accordance
4 with subsections (b) and (c), receive those individ-
5 uals into the Foreign Service of the United States
6 and convert them, if need be, to the appropriate
7 class in the Foreign Service Schedule established
8 under the Foreign Service Act of 1980.

9 (b) NEW POSITIONS.—

10 (1) IN GENERAL.—Those individuals trans-
11 ferred to the Department of State under subsection
12 (a) shall be deemed economic officers of the Foreign
13 Service and shall not be subject to any exam or
14 training under the Foreign Service Act of 1980 as
15 a condition of assuming such position.

16 (2) CONFORMING AMENDMENT REGARDING
17 TITLE CHANGE OF CERTAIN OFFICERS OF THE FOR-
18 EIGN SERVICE.—Subsection (d) of section 708 of the
19 Foreign Service Act of 1980 (22 U.S.C. 4028) is
20 amended by striking “and commercial” before “offi-
21 cers”.

22 (3) SAVINGS PROVISION REGARDING CERTAIN
23 OFFICERS OF THE FOREIGN SERVICE SUBJECT TO
24 TITLE CHANGE.—Any individual in the Foreign
25 Service who as of the day before the date of the en-

1 actment of this Act is a commercial officer shall be
2 known and referred to as an economic officer on and
3 after such date, and shall otherwise—

4 (A) maintain his or her grade, rank, and
5 class in the Foreign Service Schedule with the
6 same tenure held immediately preceding such
7 title change; and

8 (B) maintain his or her same rate of basic
9 pay or basic salary rate immediately preceding
10 such title change.

11 (c) SAVINGS PROVISION REGARDING CERTAIN OFFI-
12 CERS OR EMPLOYEES OF THE UNITED STATES AND FOR-
13 EIGN COMMERCIAL SERVICE.—Any individual transferred
14 to the Department of State under subsection (a) shall—

15 (1) maintain his or her grade, rank, and class
16 in the Foreign Service Schedule with the same ten-
17 ure held immediately preceding transfer;

18 (2) maintain his or her same rate of basic pay
19 or basic salary rate immediately preceding transfer;
20 and

21 (3) be made subject to the Foreign Service Act
22 of 1980 and any other law, rule, regulation, adminis-
23 trative action, and Executive order governing the
24 Foreign Service of the United States.

1 **SEC. 5. INCIDENTAL DISPOSITIONS.**

2 The Director of the Office of Management and Budg-
3 et, if requested by the Secretary of State, shall make such
4 incidental dispositions of personnel, assets, liabilities,
5 grants, contracts, property, records, and unexpended bal-
6 ances of appropriations, authorizations, allocations, and
7 other funds held, used, arising from, available to, or to
8 be made available in connection with the functions of the
9 United States and Foreign Commercial Service trans-
10 ferred under section 2(b), as may be necessary to carry
11 out this Act.

12 **SEC. 6. SAVINGS PROVISION.**

13 All orders, determinations, rules, regulations, per-
14 mits, agreements, registrations, privileges, and other ad-
15 ministrative actions—

16 (1) that have been issued, made, granted, or al-
17 lowed to become effective by the President, any Fed-
18 eral agency or official thereof, or by a court of com-
19 petent jurisdiction, in the performance of functions
20 exercised by the United States and Foreign Com-
21 mercial Service on the day before the date of the en-
22 actment of this Act; and

23 (2) that are in effect or were final as of the
24 date of the enactment of this Act, or are to become
25 effective on or after the date of the enactment of
26 this Act,

1 shall continue in effect according to their terms until
2 modified, terminated, superseded, set aside, or revoked in
3 accordance with law by the President, the Secretary of
4 State, or other authorized official, a court of competent
5 jurisdiction, or by operation of law.

6 **SEC. 7. ACTIVITIES TO PROMOTE EXPORTS OF GOODS AND**
7 **SERVICES FROM THE UNITED STATES.**

8 The Championing American Business through Diplo-
9 macy Act of 2019 (enacted as title VII of subtitle H of
10 title I of division J of the Further Consolidated Appropria-
11 tions Act, 2020 (Public Law 116–94; 22 U.S.C. 9901 et
12 seq.)) is amended by adding at the end the following:

13 **“SEC. 712. ACTIVITIES TO PROMOTE EXPORTS OF GOODS**
14 **AND SERVICES FROM THE UNITED STATES.**

15 “(a) IN GENERAL.—The Secretary of State, acting
16 through the Assistant Secretary for Economic and Busi-
17 ness Matters and the relevant chiefs of mission, shall place
18 primary emphasis on the promotion of exports of goods
19 and services from the United States, particularly by small
20 and medium-sized businesses, and on the protection of
21 United States business interests abroad by carrying out
22 activities such as the following:

23 “(1) Identifying United States businesses with
24 the potential to export goods and services and pro-

1 viding such businesses with advice and information
2 on establishing export businesses.

3 “(2) Providing United States exporters with in-
4 formation and advice on the necessary adaptation of
5 product design and marketing strategy to meet the
6 differing cultural and technical requirements of for-
7 eign countries.

8 “(3) Providing United States exporters with ac-
9 tual leads and an introduction to contacts within
10 foreign countries.

11 “(4) Assisting United States exporters in locat-
12 ing reliable sources of business services in foreign
13 countries and in their dealings with foreign govern-
14 ments and enterprises owned by foreign govern-
15 ments.

16 “(5) Assisting the coordination of the efforts of
17 State and local agencies and private organizations
18 that seek to promote United States business inter-
19 ests in foreign countries so as to maximize the effec-
20 tiveness and minimize the duplication of efforts of
21 such agencies and organizations.

22 “(6) Utilizing district offices established under
23 subsection (b) as one-stop shops for United States
24 exporters by—

1 “(A) providing exporters with information
2 on all export promotion and export finance ac-
3 tivities of the Federal Government;

4 “(B) assisting exporters in identifying
5 which Federal programs may be of greatest as-
6 sistance; and

7 “(C) assisting exporters in making contact
8 with such identified Federal programs.

9 “(7) Providing United States exporters and ex-
10 port finance institutions with information on all fi-
11 nancing and insurance programs of the Export-Im-
12 port Bank of the United States, the United States
13 International Development Finance Corporation, the
14 Trade and Development Program, and the Small
15 Business Administration, including providing assist-
16 ance in completing applications for such programs
17 and working with exporters and export finance insti-
18 tutions to address any deficiencies in such applica-
19 tions that have been submitted.

20 “(b) DISTRICT OFFICES.—The Secretary of State
21 shall establish, or maintain if transferred to the Secretary
22 under the Foreign Trade Modernization Act of 2020, dis-
23 trict offices of the Foreign Service in any United States
24 city in a region in which the Secretary, in consultation

1 with the Secretary of Commerce, determines that there is
 2 a need for Federal Government export assistance.

3 “(c) COOPERATION IN FEDERAL FINANCING AND IN-
 4 SURANCE PROGRAMS.—To assist the Foreign Service in
 5 carrying out subsection (a)(7), the Export-Import Bank
 6 of the United States, the United States International De-
 7 velopment Finance Corporation, the Trade and Develop-
 8 ment Program, and the Small Business Administration
 9 shall each—

10 “(1) provide to the Foreign Service complete
 11 and current information on all the programs and fi-
 12 nancing practices of each such agency; and

13 “(2) undertake a training program regarding
 14 such programs and practices for economic officers of
 15 the Foreign Service.”.

16 **SEC. 8. CONFORMING AMENDMENTS.**

17 (a) OMNIBUS TRADE AND COMPETITIVENESS ACT OF
 18 1988.—

19 (1) IN GENERAL.—The following provisions of
 20 the Omnibus Trade and Competitiveness Act of
 21 1988 are repealed:

22 (A) Section 2301 (15 U.S.C. 4721).

23 (B) Subsection (c) of section 2303 (15
 24 U.S.C. 4723).

25 (C) Section 2306 (15 U.S.C. 4725).

1 (2) CONFORMING AMENDMENT.—Section 2303
2 of such Act (15 U.S.C. 4723) is amended by redes-
3 ignating subsection (d) as subsection (c).

4 (b) TITLE 5, UNITED STATES CODE.—Section 5315
5 of title 5, United States Code, is amended by striking “As-
6 sistant Secretary of Commerce and Director General of
7 the United States and Foreign Commercial Service.”.

8 (c) TRADE FACILITATION AND TRADE ENFORCE-
9 MENT ACT OF 2015.—Section 505(c)(1) of the Trade Fa-
10 cilitation and Trade Enforcement Act of 2015 (15 U.S.C.
11 4721a(c)(1)) is amended by striking “acting through the
12 head of the United States Foreign and Commercial Serv-
13 ice” and inserting “in consultation with the Assistant Sec-
14 retary of State for Economic and Business Affairs”.

15 (d) FOREIGN SERVICE ACT OF 1980.—The Foreign
16 Service Act of 1980 is amended—

17 (1) in section 202(a) (22 U.S.C. 3922(a))—

18 (A) by striking paragraph (3);

19 (B) by redesignating paragraph (4) as
20 paragraph (3); and

21 (C) by moving the margins of paragraph
22 (3) (as so redesignated) two ems to the left;

23 and

24 (2) in section 305(c) (22 U.S.C. 3945(c))—

1 (A) by striking “(1) Appointments to the
2 Senior Foreign Service by the Secretary of
3 Commerce shall be excluded” and inserting
4 “Appointments to the Senior Foreign Service
5 by the Secretary of Commerce made on or be-
6 fore the date of the enactment of the Foreign
7 Trade Modernization Act of 2020 shall be ex-
8 cluded”; and

9 (B) by striking paragraphs (2) and (3).

10 (e) REFERENCES.—Any reference in any statute, re-
11 organization plan, Executive order, regulation, agreement,
12 determination, or other official document or proceeding
13 to—

14 (1) the Assistant Secretary of Commerce and
15 Director General of the Commercial Service shall be
16 deemed to refer to the Secretary of State; and

17 (2) the United States and Foreign Commercial
18 Service shall be deemed to refer to the Department
19 of State.

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