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US trade policy and US political system: a defining moment

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By Ira Shapiro

As the Senate moves forward to consider the Trade Promotion Authority (TPA) legislation, which is the surrogate for the Trans-Pacific Partnership (TPP) negotiation, we see something reassuring. Unlike the hyper-partisanship and resulting gridlock that has plagued the Obama presidency, this is a genuine and intense clash of opposing world views that transcends party lines. On both ends of Pennsylvania Avenue, we find the vigorous debate and principled compromise which are the hallmark of a healthy political process, leading ultimately to a clear decision that will be momentously important for our country. Welcome back to the American political system working the way it is supposed to work----not waiting for the next election, doing the nation's serious business in real time. The major players are bringing their "A" games to what is a defining moment in U.S. trade policy and our role in the world. President Obama deserves great admiration for the clarity of his leadership on the importance of the TPP. He ran for president as a trade skeptic, and called a virtual timeout on trade negotiations as he worked to save the U.S. economy from the real possibility of a second Great Depression. When the economic crisis eased, the president was able to focus on longer-term U.S. economic prospects. He concluded that properly negotiated trade agreements, starting with the Trans-Pacific Partnership (TPP), could play to our economic strengths while lifting labor and environmental standards around the world.

The Asia-Pacific, the most economically dynamic region in the world,

presented the greatest opportunity and the greatest challenge. The region was moving rapidly toward economic integration, without the United States. The president concluded that America must be inside an integrating Asia-Pacific ensuring that our manufacturers, service providers and farmers were not disadvantaged, and that we could play an important part in setting the rules of trade, rather than ceding leadership to China. In my view, he reached the conclusion that any U.S. president, Democratic or Republican, would have reached.

The Senate has also distinguished itself, with the fits and starts, and flashes of drama, that are commonplace when the Senate is working well. Sens. Orrin Hatch (R-Utah) and Ron Wyden (D-Ore.), two of the most experienced legislative dealmakers, contributed months of painstaking negotiation and collaborative work, and provided bipartisan leadership to move the TPA legislation, and other important trade legislation, through the Finance Committee by a decisive 20-6 vote. Seven of the twelve Finance Committee Democrats voted to support the legislation, despite the tremendous pressure from their strongest progressive supporters, showing the enduring advantage of the six-year term. Majority Leader Mitch McConnell (R-Ky.) asserted his prerogative to bring up the TPA legislation, including Trade Adjustment Assistance, promptly, but with a full debate and robust amendment process. Minority Leader Harry Reid (D-Nev.) and the next Democratic leader, Sen. Chuck Schumer (N.Y.), ensured that the other important pieces of trade legislation, dealing with Customs' enforcement authority and trade preferences for developing countries, as well as amendments on currency manipulation, would also be debated and voted on. Throughout the Senate consideration, the key players have kept a careful focus on bottom line reality: there is unmistakably a package that will produce more than 60 votes needed for Senate approval.

The House has also played an important part in advancing the legislation through the Ways and Means Committee, by a 25-13 vote along party lines. In all likelihood, the House will cast the final, dramatic and decisive vote on TPA sometime next month. It will be an enormous challenge for the White House and TPA/TPP supporters to prevail in the House, when so many members have already announced their opposition. But the president's emphatic leadership and a strong Senate vote will strengthen the position of Speaker John Boehner (R-Ohio) and Ways and Means Committee Chairman Paul Ryan (R-Wis.), while putting intense pressure on House Democratic leaders Nancy Pelosi (Calif.) and Steny Hoyer (Md.), and

Sandy Levin (Mich.), the ranking Democrat on Ways and Means, and historically an independent and creative force on trade issues.

The opponents to TPA and TPP, spearheaded by the labor unions and many NGOs, led by Public Citizen, and their Congressional advocates, have waged a fierce fight in Washington and around the country, leaving the ultimate outcome in doubt. They combine substantive arguments and highly effective political pressure, and they have honed their skills through more than twenty years of fighting trade agreements, starting with NAFTA. During that time, their work has elevated the U.S. emphasis on labor rights, the environment, human rights and public health and access to medicines. In this debate, they have raised important questions about the reach of the investor-state dispute provisions and the soundness of our food safety system. Many of their other arguments do not withstand scrutiny, but there's no question that the opponents have added important dimensions to the debate over trade and globalization.

But it would be a disaster if the opponents prevailed. They seek to defeat the largest and most progressive regional trade agreement in history, involving not only the United States, but also Japan, Canada, Australia, Mexico and seven other countries in shaping the rules of trade for the Asia-Pacific region. The course they advocate would stamp the United States an unreliable and hypocritical trading partner, and a protectionist and isolationist country, unmistakably in retreat. It would be a major self-inflicted wound, and an enormous boon to China. That's why Obama and McConnell are having what the Majority Leader called the "out of body experience" of working together. It's that important.

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