How Obama Can Ride the Republican Wave

The president is desperately trying to help Democrats keep the Senate, but a GOP takeover could be just the thing he needs to finally push through key trade deals.

BY JOHN HUDSON

Republicans have promised to halt President Barack Obama's second-term agenda if they win the Senate on Tuesday, fighting key presidential appointments, environmental regulations, immigration and health care reform, and an extension on unemployment benefits.

But one of the president's top priorities may actually have a greater chance of becoming law if Republicans win big on Nov. 4: his ambitious global trade agenda, which faces deep opposition within Obama's own Democratic Party.

The administration is currently negotiating two proposed free-trade agreements with the European Union and key nations in the Asia-Pacific region: the cumbersomely named Transatlantic Trade and Investment Partnership (T-TIP) and the Trans-Pacific Partnership (TPP). Obama has been pushing for the deals for years because he says they will increase U.S. exports and create millions of jobs at home.

Though scores of obstacles remain in the way of both trade deals, some of the strongest opposition has come from congressional Democrats, who've blocked the president's request for "fast-track" trade authority and raised concerns about the impact of global trade on union jobs and wages.

If the Senate flips, pro-trade Republicans will dominate key committees that deal with trade policy and relegate more protectionist Democrats to the minority. Unlike most other issues, Republicans are increasingly signaling a willingness to work with Obama to strengthen his negotiating position with partners overseas.

"If we have a GOP takeover of the Senate, I think it markedly improves the prospects for passing
trade-promotion authority," Rep. Charles Boustany (R-La.), a member of the House Ways and Means subcommittee for trade, told Foreign Policy. "I'll work with this president and anyone else to help get this done."

Trade promotion authority legislation, or TPA, allows the president to submit a trade agreement to Congress for a straight up or down vote without any amendments. Many experts argue that giving the president this authority is critical to wringing the most concessions from foreign governments during trade negotiations and therefore getting the best possible deal for America -- the logic being that other countries won't extend their best offer if they know Congress can later amend the deal in a thousand different ways. In 2012, the Obama administration also signaled that passage of TPA would be required to close the 12-country TPP mega-deal, which would lower tariffs and harmonize a range of regulatory and trade issues in the Asia-Pacific economic zone. But convincing Democrats to support fast-track authority has been a challenge for the White House.

In late January, Senate Majority Leader Harry Reid (D-Nev.) said he opposed granting fast-track authority to the president, a decision that came on the heels of a fierce lobbying effort by 550 labor, environmental, and consumer-advocacy groups, including the powerful United Auto Workers union.

"Everyone would be well-advised to not push this right now," said Reid, effectively killing the chance the bill would ever make it to the Senate floor.

The move took the air out of a bipartisan bill introduced in early January by then-Senator Max Baucus (D-Mont.) and Rep. Dave Camp (R-Mich.) in the House Ways and Means Committee that would have granted the president trade promotion authority and established a detailed set of guidelines for trade objectives in the TPP negotiations.

Now, with the prospect of a GOP-controlled Senate, Republicans say the chances to pass trade promotion authority are better than ever, which would be key to securing deals on TPP and T-TIP. However, they still can't do it without a critical mass of Democrats, which they say only
the president himself can deliver.

"Moving forward, we need the president's active engagement and support," Sen. Orrin Hatch (R-Utah), the ranking member of the Senate Finance Committee, told FP. "Sadly, this administration's enthusiasm for TPA seems tepid at best. There are many negotiations underway with our partners in Europe and the Pacific, but I fear their likelihood to succeed is slim without TPA."

A spokesman for the U.S. Trade Representative flatly denied the charge that the Obama administration is insufficiently engaged in building congressional support for TPA. "This administration has made clear to Republicans and Democrats alike that expanding economic opportunity for American workers, businesses, and farmers through trade is a top priority," said USTR spokesman Matthew McAlvanah. "In addition to the president directly appealing to Congress to move forward in a bipartisan manner on trade issues, top cabinet officials have met directly with members of Congress and fanned out across the country to discuss the broad economic benefits of opening new markets with the American people."

He added that the USTR has conducted more than 1,500 meetings with congressional offices on the TPP alone, and that the president has outlined the benefits of free trade in every State of the Union address since he entered the White House.

Despite that level of engagement, some trade experts say the White House still isn't involved enough. "There has been some consultation and [U.S. Trade Representative Michael] Froman has done an effective job at that. But the joint problem-solving that typically leads to a successful trade promotion authority bill is an intensive process and that hasn't happened yet," said Scott Miller, a senior advisor at the Center for Strategic and International Studies. "The White House needs to send a clear signal that this is on the agenda, much as Bill Clinton did for trade with China, much as Ronald Reagan did for the 1988 Foreign Trade Act, much as George W. Bush did for his trade policies."

But while Republicans are genuinely united on free trade, they're not a monolith: A number of
Tea Party groups have signaled opposition to granting trade promotion authority due to concerns about the secrecy of the talks and a broader distrust of Obama.

"The Trans-Pacific Partnership is not free trade. It is at best special interest and corporatist managed trade," Judson Phillips, the founder of Tea Party Nation, wrote in January. "Does anyone really trust Barack Obama to deliver an international agreement that is good for America?"

Pro-trade Republicans like Boustany, who blame the White House for a lack of engagement with Democrats on the issue, acknowledged that dissent exists within his own caucus, but vowed to do his own part in whipping up support.

"I've already been on the front lines as a part of the education process to bring them up to speed about TPA," he said. "While there are some Tea Party groups in opposition, I feel strongly that there'll be broad Republican support for this."

The other elephant in the room is the international negotiations themselves. While many hoped that TPP negotiations could be concluded this year, few actually believe there's any chance of a deal until 2015. The diverse 12-member trade bloc, which includes countries ranging from Canada to Japan to Brunei to Mexico to New Zealand, continues to grapple over contentious issues related to intellectual property, agriculture tariffs, and investments. Though lawmakers such as Boustany believe the key to breaking the diplomatic stalemate is the passage of TPA, others say the trade bloc is too large and cumbersome to accommodate the interests of every country.

Regardless, for an administration that's looking at a divided Congress for the rest of its tenure, trade may be one of the last opportunities to get something done. Though it would mean a tough fight within the Democratic Party, the White House may be willing to get in the mud for the sake of its legacy. "The administration will continue to make the case that trade done right will help support good-paying jobs and bolster economic growth here at home," said McAlvanah.
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