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U.S. Trade Authority Bill Faces Broad Congressional, Public Opposition; Does Not Bode Well for TPP Negotiations

Today's Fast Track Proposal Replicates Language of Failed 2014 Bill and Will Face a Similar Fate

WASHINGTON, D.C. –The trade authority bill introduced today in the U.S. Congress would revive the controversial Fast Track procedures to which nearly all U.S. House of Representatives Democrats and a sizable bloc of House Republicans have already announced opposition. As Trans-Pacific Partnership (TPP) chief negotiators are set to meet next week, the unprecedented level of opposition to today's Fast Track bill (also referred to by proponents as Trade Promotion Authority or TPA) may destabilize the talks, as the chances of the bill becoming law are extremely remote, said Public Citizen.

Because Fast Track involves a broad delegation of Congress' constitutional authorities to the president, Congress has rarely enacted it. Since 1988, only two presidents have persuaded Congress to approve Fast Track powers. In the 21 years since the North American Free Trade Agreement took effect, Fast Track has been authorized only once – from 2002 to 2007. Many members of Congress that supported past U.S. trade pacts oppose President Barack Obama's request for Fast Track for the TPP because the almost-completed pact does not include the disciplines against currency manipulation demanded by large majorities of senators and representatives. In 1998, the House voted down Fast Track for President Bill Clinton, with 71 GOP members joining 171 House Democrats.

"Especially after the president dismissed Congress' demand that the TPP include currency disciplines, many in Congress are simply unwilling to give up their constitutional trade authority for the TPP," said Lori Wallach, director of Public Citizen's Global Trade Watch. "In the House of Representatives, there is almost no Democratic support, which is not surprising given that the Democrats' base of support – trade unions and family farm groups, environmental and free Internet advocates, faith and consumer groups and more – oppose Fast Track and there is a substantial bloc of Republican opposition given conservative groups also oppose it."

The bill comes despite broad and growing U.S. public opposition to Fast Track and the TPP. A new bipartisan poll from *The Wall Street Journal* and *NBC News* shows that 75 percent of Americans think that the TPP should be rejected or delayed. During the most recent congressional recess, voters in Oregon, Massachusetts, Washington, Maryland and other states protested against Fast Track, citing the devastating impact past Fast Tracked pacts have had on local jobs, small businesses and farmers.

In a typical two-year session of the U.S. Congress, only between 2 and 5 percent of the bills that are introduced become laws. Today's bill, sponsored by U.S. Senate Finance Committee Chair Orrin Hatch (Republican-Utah), House Ways and Means Chair Paul Ryan (Republican-Wisconsin) and Finance Committee Ranking Member Ron Wyden (Democrat-Oregon), failed to attract a single House Democratic sponsor. The House of Representatives is where Fast Track and trade pacts always have their most difficult challenge, and this will certainly be the case in the current Congress.

Even though House Republican leaders support Fast Track, almost every House Democrat opposes it. Passing it would require a party line vote by Republicans to grant massive new authority to the Democratic president they have attacked for years as an "imperial president" who grabs power. That scenario is already generating a chorus of opposition by tea party conservatives, especially as many conservative Republicans oppose Fast Track as a constitutional aberration anyway. Even with the corporate lobby in favor, the Republican leadership will be hard pressed to overcome this political dynamic.

Prominent Republican free traders have insisted that the TPP include enforceable disciplines against currency manipulation that would undercut Japan and other nations' practice of devaluating their currency to boost exports. Letters making that demand were signed by a supermajority of 60 U.S. senators and 230 House members. Senior Republican Sen. Lindsey Graham of South Carolina, an ardent "free trader" who has supported all past free trade agreements and whose leadership Obama would need to pass the TPP, says he will oppose it absent such terms. Yet, Obama's negotiators have not even offered a currency proposal in the TPP negotiations.

Officials from TPP countries, such as Japan, Canada, Chile, Australia and New Zealand, have expressed concern about the absence of Fast Track authority by the Obama administration, and TPP proponents in the U.S. have repeatedly claimed that other TPP countries would not put their final offers on the table in the absence of Fast Track. Today's Fast Track bill, however, faces long odds for approval during this session of Congress.

The bill proposed today makes only minor adjustments to the Fast Track bill that was dead on arrival in the House when it was introduced in January 2014. At the time, only eight out of 201 House Democrats supported the bill and House Republican leadership could not count more than 100 members as "yes" votes. (Any legislation requires a simple majority of 218 "yes" votes to pass the House of Representatives.) Since then, 14 of the 17 current first-term Democrats in the House have signed letters opposing or expressing serious concerns with Fast Track, despite pressure from the administration. And, in contrast to past Congresses, a sizable bloc of first-term Republicans refused to sign a February letter declaring their support for Fast Track despite a major corporate lobby push.

Democrats and Republicans alike have objected to how Fast Track empowers the executive branch to use trade pacts to legislate through the back door on non-trade issues over which Congress and state legislatures have authority. The recent posting by WikiLeaks of the TPP's Investment Chapter has fueled concerns by conservatives and liberals alike about the controversial investor-state dispute settlement (ISDS) system, which would allow corporations to skirt domestic laws and courts, and demand compensation from taxpayers for policies that investors claim violate new TPP privileges. Were the TPP enacted with ISDS, more than 9,000 firms in the United States with parent corporations in TPP countries would be newly empowered to launch ISDS claims against the U.S. government.

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