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President Obama Overcomes Domestic Political Obstacles to Advance Trade Agenda

Following the House's lead, the Senate passed trade promotion authority (TPA) legislation late yesterday afternoon. Passage of this legislation – also known as fast-track authority – is a significant victory for President Obama's trade agenda. In short, TPA provides the president with the authority to negotiate trade agreements with other nations while also denying Congress the ability to amend any agreement brought before the body for approval. The legislation is considered a prerequisite to completion of the Trans-Pacific Partnership (TPP). Supporters of free trade argue that trading partners are more likely to make concessions if they know the agreement cannot be changed.

The road to victory was not an easy one. From the start, TPA faced strong opposition from President Obama's own party and several interest groups. The strongest opposition came from labor groups. The largest labor group in the U.S. – AFL-CIO – infamously warned that any members voting for TPA would receive no future contributions from the organization. The group went so far as to threaten the funding of challenger-candidates for any member of Congress who voted for TPA. The debate, however, has not been one-sided. Agriculture groups have matched the efforts of labor groups and other opponents on Capitol Hill.

Yesterday's vote was not the first time this month that the Senate considered TPA. When the legislation originally was considered by the Senate, the chamber combined TPA with Trade Adjustment Assistance (TAA). Leadership believed – correctly – that combining the two would increase the number of supporters within the Democratic Party. TAA renews an aid program for workers and businesses hurt by trade deals. Controversially, the Senate legislation paid for TAA through cuts to Medicare. In the end, 14 Democrats joined the majority of Republican Senators to pass TPA/TAA by a vote of 62-37. The "pay-for" provision and opposition to TPP among Senate Democrats, however, doomed the legislation in the House.

Once the legislation was brought to the House, Republican leadership decoupled TPA and TAA. Instead, leadership wanted the chamber to take two separate votes. Even though there were two votes, both TAA and TPA needed to pass

since the two passed as one bill in the Senate. The hope was to allow conservative Republicans to vote for TPA and not TAA. Similarly, Democrats who opposed TPA would be able to vote independently for TAA. This way, leadership hoped to maximize the vote for each. Supporters and opponents continued to lobby Congress right up until the votes on Friday, June 12, 2015. President Obama made an impromptu visit to Capitol Hill to whip democratic votes just hours before the House considered the legislation. The vote counts remained uncertain right up until the end.

In a series of two votes, the House first narrowly passed the TPA section of the Senate bill by a vote of 219-211. However, the Senate “pay-for” provision in the TAA section proved to be too much for the House to overcome. Despite promises of a future fix that would not affect Medicare, Democrats and Republicans voted down TAA by a vote of 126-302. Because both sections were not passed, neither section can become law.

After a weekend to consider their next move, House leadership called to the floor a stand-alone TPA bill, which was passed. The action set up a vote in the Senate. Again, the outcome was uncertain. In a rare moment of cooperation, congressional Republicans and President Obama came together to push the previously defeated TPA over the finish line. The removal of TAA from the bill proved successful in the House as well as in the Senate, where the legislation passed by a vote of 60-38.

Passage of TPA paves the way for the completion of TPP. Although the text of the TPP remains confidential, the agreement is expected to increase significantly U.S. market access in Asia. As the World Trade Organization’s attempts to jumpstart the long-stalled Doha round continue to fail, countries will look to plurilateral agreements such as the TPP to liberalize trade.

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