

POLITICO

Boustany jockeying for top trade spot

By Adam Behsudi

May 6, 2014

Rep. Charles Boustany is polishing his credentials to make a run at a key trade spot in Congress, with a little help from a pending shakeup on the Ways and Means Committee and a backlash against Russian energy.

The Republican's coastal Louisiana district, home to some of the state's largest shipping ports, is poised to reap huge benefits from the U.S. shale gas boom, especially as pressure intensifies on the White House and Congress to end Russia's domination of the European energy market.

Russia was the world's second-largest producer of dry natural gas and third-largest oil producer in 2012, behind Saudi Arabia and the United States, and [delivered 30 percent](#) of the continent's natural gas last year and [about a third](#) of its oil in recent years, according to the U.S. Energy Information Administration and the European Commission.

That reality has given rise to fears that the former Soviet country could retaliate against U.S. and EU sanctions by restricting its energy supply to Europe.

The drive for greater energy security there translates into a growth opportunity here at home, where applications for liquefied natural gas export terminals have spiked. Three of seven such export terminals approved by [Federal Energy Regulatory Commission](#) are located within Boustany's district, and one of those, Sabine Pass LNG, should become operational in 2015.

That means that the push in Congress to ease restrictions on liquefied natural gas exports could pay big dividends for Boustany as he considers a run for chairman of the House Ways and Means Trade Subcommittee.

Federal law generally requires the approval of natural gas exports to countries in free trade agreements with the United States, but shipments to nations that haven't inked such deals must be approved by the Energy Department, which can block the exports if it deems that they are not in the public interest.

The European Union, Japan, China and India, as well as the Ukraine, are among the nations that have no such agreements, although White House is pursuing deals involving the first two on the list.

America, meanwhile, is now the world's No. 1 producer of natural gas, [surpassing Russia](#) in the last few years — a fact that some say builds a compelling case for increasing U.S. exports of liquefied natural gas, especially given the international frictions over Russia's annexation of Crimea and destabilization of Ukraine. The Asian and Latin American markets for U.S. natural gas also are expected to grow in the coming years.

Boustany points to those reasons as well as an “intense personal interest” in trade issues as his reason for wanting to be the GOP's go-to guy on trade, and a changing of the guard at Ways and Means could bolster his chances of reaching that goal.

Panel Chairman Dave Camp (R-Mich.) plans to retire this year, opening up the top spot to Wisconsin Republican Paul Ryan, considered a favorite to take the helm. Meanwhile, current Trade Subcommittee Chairman Devin Nunes (R-Calif.) could vacate that spot to become the Intelligence Committee chairman. Nunes [announced](#) his desire to take that seat, which is by appointment by the House speaker, in late March after current Intelligence Chairman Mike Rogers (R-Mich.) said he wouldn't seek another term in Congress.

Republican Conference rules prevent a House member from chairing more than one committee or subcommittee.

When asked if he would relinquish his subcommittee chairmanship if he got the top spot on the Intelligence Committee, Nunes said it's “way too early to be talking about that.”

“It's the speaker's decision and you gotta go from there before you make any decisions,” he said. “I'm not going to be speculating out into a very far distant future,” Nunes said, adding that he would retain his Ways and Means seat even if he were to give up the subcommittee chairmanship.

The potential reshuffling could leave room for an ambitious member to make a mark on trade. Ryan, for one, would likely be immersed in efforts to rewrite the U.S. tax code, and the change at the top will take place just as the trade agenda gets back on track after the midterm congressional elections. That agenda has become stalled because of Democratic reticence to take up politically hazardous trade issues in the run-up to the elections, especially given the likelihood that Republicans will gain seats in the House and Senate.

Although he has yet to throw his hat in the ring formally, Boustany said trade is shaping up as his “top policy issue,” and he is laying the groundwork for a possible move.

The former heart surgeon shows a fluency in trade acronyms, an alphabet soup that includes the Trans-Pacific Partnership, the Transatlantic Trade and Investment Partnership, the Trade in International Services Agreement, Trade Promotion Authority, Information Technology Agreement, and so forth, and he plans to flaunt his knowledge at more public events in the coming months.

Just this week, he's headlining a U.S. Chamber of Commerce [event](#) on the 2014 trade policy landscape.

“I’m willing to do the hard work necessary,” he said when asked whether he is angling for the subcommittee’s top spot.

Boustany launched the bipartisan “Friends of the TPP Caucus” in October to tout what the virtues of that trade deal, which includes the United States, Japan and 10 other Pacific-Rim countries, to his colleagues. He has dealt with one of America’s most irksome trading partners in China as co-chairman of the U.S.-China working group. And he told a trade-friendly crowd at the Washington International Trade Association last month that he would be a “champion” for them as Congress wrestles with the Obama administration’s ambitious trade agenda, especially legislation needed to pass the massive deals the White House is negotiating in Asia and Europe.

The trade promotion authority bill introduced in January would allow Obama to submit negotiated trade deals to Congress for straight up-or-down votes, without amendments, doing away with the threat that the pacts could be picked apart on the House and Senate floors. Democrats have largely rejected the bill, however, effectively shelving it until after November.

“We’re up against a very organized anti-trade lobby ...” Boustany said at the WITA event. “It’s organized on the Hill, it’s organized in the districts.”

Opponents of the current bill want it overhauled to increase Congress’ role in trade talks, but Boustany said he was comfortable with the current legislation, sponsored by Camp, former Senate Finance Chairman Max Baucus (D-Mont.) and Finance ranking Republican Orrin Hatch, of Utah.

“Personally I’m open to some changes,” Boustany said. “We’re open to accommodating, but, again, this has been going on for a while, and we’re at a critical point in these negotiations.”

Christopher Wenk, senior director for international policy at the Chamber, said U.S. businesses would most likely be comfortable with Boustany at the helm of the trade subcommittee.

“If you’re asking specifically about Boustany, he is someone that is very interested in trade, he’s a real thoughtful guy and I can’t think of many other members up there who dig into the details like he does,” Wenk said, adding that his remarks weren’t a formal endorsement from the Chamber.

Dan Ikenson of the libertarian Cato Institute was quick to criticize the Louisiana congressman, however.

Like most mainstream Republicans, Boustany is merely “parroting the establishment line that we engage in trade agreements to increase our exports, and we go to bat for U.S. businesses” but don’t support the reversal of protectionist policies designed to prop up U.S. industry, he said.

“They kind of reinforce this myth that trade is us versus them,” Ikenson said.

While Boustany has a lot to gain politically in terms of the benefit for his district, he is also keenly aware of the danger of supporting any trade deal that would repeal the Jones Act, a

“protectionist” U.S. law that prohibits foreign ships from hauling cargo between U.S. ports, Ikenson said.

Boustany has expressed this concern, asking whether the Office of the U.S. Trade Representative would defend the shipping law in trade negotiations. In a question submitted for the record after a Ways and Means hearing with U.S. Trade Representative Michael Froman in July, Boustany noted that shipbuilding is crucial to the Louisiana economy.

Still, Ikenson acknowledged Boustany’s political opportunity.

“That would make a good press conference: Chairing the subcommittee, having TPP signed and opening an LNG export facility at the same time,” he said. “That would boost his career prospects.”