



## **Max Baucus to move to China, raising doubts over trade negotiations**

By James Politi

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WASHINGTON -- President Barack Obama's attempt to push through legislation allowing for the swift passage of trade deals in Congress has been clouded by his nomination of Senator Max Baucus as ambassador to China, removing a key supporter of the effort on Capitol Hill.

Mr Baucus, a veteran Democratic lawmaker from Montana, is chairman of the Senate finance committee, and after months of delay, aides have signalled that he intends to introduce a bipartisan trade bill with Orrin Hatch, the top Republican on the panel, early next year.

But if confirmed to the China post, Mr Baucus would soon be leaving and vacating his chairmanship of the committee, taking him out of what is expected to be a fierce political battle to gain congressional approval for the so-called Trade Promotion Authority (TPA).

Also known as a "fast track" bill, TPA sets negotiating objectives for the administration in trade talks, in exchange for a promise that once signed, the agreements will move through the legislature on a quick timetable and with no amendments.

TPA, which lapsed in 2007, is seen as essential if Mr Obama is to deliver on his ambitious second-term trade agenda, including sweeping deals with 11 other Pacific nations - known as the Trans-Pacific Partnership (TPP) - and the European Union (EU).

Mr Baucus is known for being a supporter and architect of TPA and a key advocate for trade liberalisation within the Democratic party, where many can be very sceptical of the benefits of more open trade.

But his most likely replacement at the helm of the Senate finance committee is Ron Wyden, the Democratic senator from Oregon, who has more mixed views on trade. Mr Wyden was one of 60 senators who sent a letter to the Obama administration demanding tough provisions to combat currency manipulation in the TPP, whereas Mr Baucus did not sign it.

Mr Wyden has also been a thorn in the Obama administration's side in recent years on the issue of transparency, demanding greater access to the details of the provisions being negotiated in trade deals, especially TPP.

Corey Boles, a US policy analyst at the Eurasia Group in Washington, said Mr Baucus's nomination had thrown the TPA push into "disarray".

"Setting aside Wyden's own personal reservations about the secrecy of TPP negotiations, even the simple fact of having a new chair will undermine both the notional TPA deal that has been struck between Baucus and the Republican leadership and it will require the new chairman to consolidate power before undertaking a tough initiative like TPA," Mr Boles said.

Dan **Ikenson**, a trade policy analyst at the libertarian Cato Institute, said Mr Baucus's selection cast doubt on Mr Obama's determination to push through his trade agenda in the first place.

"The optics of Baucus's move are not reassuring," said Mr **Ikenson**. "When a pro-trade senator with perhaps the most experience on trade matters, from the more trade-sceptical political party, whose support and expertise the president needs to shepherd TPP and TPA through the legislative process, decides that now is the time to leave, one can only question the commitment of the White House to these deals."

The Office of the US trade representative declined to comment on Mr Baucus's selection, but has often expressed its determination to work with Congress to secure a fast-track trade bill and eventually gain backing for the TPP and EU deals themselves from US lawmakers.

Recently, Mr Obama convened a meeting with some of his top economic, political and national security advisers specifically to talk about international trade, in a sign that the administration is stepping up its own efforts to advance a bill rapidly.

Last Sunday, some Senate aides cautioned against reading too much into Mr Baucus' departure. They said a trade bill was still expected to be introduced in early January and suggested Mr Baucus may try to speed up approval in order to notch up a legislative accomplishment before his possible departure for Beijing.

If Mr Wyden, currently chairman of the Senate energy committee, does replace Mr Baucus, it would not necessarily throw a wrench into TPA, however.

He voted in favour of TPA the last time it was enacted in 2002 and west coast lawmakers are often more open to free trade deals, particularly with Pacific countries, than Midwestern, rust belt lawmakers, who are often the most vocal opponents of such deals.

And Mr Wyden may ultimately have an easier time to get wavering Democrats on board with Mr Obama's trade agenda since he is generally more aligned with the views of Harry Reid, Senate majority leader, than Mr Baucus, whose centrist stance often clashed with the more liberal positions of Democratic leaders.