



Interview: US gov't shutdown reveals trade policy not priority

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As a partial US federal government shutdown entered its third week on Monday, the US trade agenda, which President Barack Obama set as a central prong of his foreign policy in the second term, has been tossed aside, with negotiations over two crucial trade deals seeing delays.

"Trade policy is not a priority of the Obama administration," said Daniel Ikenson, a trade policy expert with the Washington-based think tank Cato Institute, in a recent interview with Xinhua, citing the fallout of the shutdown to talks over the Transatlantic Trade and Investment Partnership (TTIP) and the Trans-Pacific Partnership (TPP), which top the US trade agenda.

The number of full-time employees in the Office of US Trade Representative, the major trade body of the administration, has been dwindling from 232 to 61 due to the federal closure.

With only 26.3 percent of the work force in office, US Trade Representative Michael Froman canceled a planned second round negotiation last week with his European counterparts on TTIP, a deal that the US government once boasted would set 21st century standards.

"There is no need to shut down the TTIP ... I don't think Obama needs Froman here to help solve problems with Congress," Ikenson said.

Meanwhile, the TPP, which finished 19 rounds of talks over the past three and half years, has been also marginalized, as the president is occupied with striking a deal with the Republicans to end the crisis facing the nation.

Till now, the political stalemate has cost Washington a chance to facilitate the conclusion of the TPP agreement, said Ikenson.

Due to the shutdown, Obama scrapped trips earlier this month to two key Asian summits -- the Asian Pacific Economic Cooperation summit in Bali, Indonesia, and the East Asia summit in Brunei, two importance occasions to advance the TPP talks, which the Obama administration and 11 other negotiating parties pledged to conclude by the end of this year.

Obama needs to do a lot more to demonstrate that he is committed to seeing the TTIP and the TPP through, Ikenson said, warning that "If you don't have success, people are starting to loose interest."

As Obama has not formally requested or yet received Trade Promotion Authority (TPA) from Congress, these trade talks could hardly gain any traction, according to Ikenson.

The absence of TPA means that the administration cannot present a deal to Congress for a vote without first allowing lawmakers a chance to change the legislation.

"Messy democracy has put US credibility at stake," said Ikenson, adding "We don't have a budget, we haven't decided whether to extend the debt ceiling, we don't have a farm policy, but we have been in the middle of October and there are not many (Congressional) sessions left this year. Trade is just not the priority to the administration."

"You lose credibility when you set goals and you don't reach it. That is all that happened on the Administration's economic agenda, " he added.