

THE STRAITS TIMES

Will TPP still be part of Obama's legacy?

Melissa Sim

March 26, 2016

United States Trade Representative Michael Froman said recently that the Obama administration is open to exploring potential fixes to objections raised against the 12-nation Pacific Rim trade pact.

His remarks, made in a low-profile speech last week, offer a glimmer of hope that the deal will still be a part of US President Barack Obama's legacy when he leaves office next January.

But with the US election season well under way and anti-trade sentiments bubbling to the fore, passing the Trans-Pacific Partnership (TPP) this year - if ever - is looking increasingly impossible.

"Trade policy is always treated very negatively in US electoral campaigns. It's no surprise that Congress does not want to deal with the TPP in an election year," said Mr Bill Watson, a trade policy analyst at the Cato Institute think-tank. "What makes it especially problematic is that all the major presidential candidates are specifically opposing the TPP."

Democratic front runner Hillary Clinton no longer supports the deal which she had a hand in orchestrating, while her Republican counterpart Donald Trump has slammed it and called for more protectionist tariffs on goods imported into the US.

Exit polls have shown that voters believe trade with other countries takes away US jobs, making support for such a deal a political liability for those seeking re-election this year.

"With the entire House of Representatives and one-third of the Senate standing for election, members of Congress want to avoid voting on controversial legislation like the TPP," said Ms Lisa Sachs, director of the Columbia Centre on Sustainable Investment at Columbia University.

Still, trade supporters and some lawmakers are eyeing a tiny window for the deal to be put to Congress.

"At this point, it seems the most likely timing would be between the US general election and the inauguration of the incoming Congress, known as the 'lame-duck' session," said Boston University professor of international relations and political science William Grimes.

But much needs to happen between now and then.

"Right now, I don't see the voters there for TPP," House Speaker Paul Ryan told Fox News last month, adding that the administration would need to address flaws in the deal "and work those out if they want to get the votes" to get it passed.

Experts say that while the deal signed on Feb 4 cannot be altered by Congress before it is put to a vote, certain side agreements can be negotiated to make the agreement "palatable to the majority of each House before submitting the implementation legislation for a vote".

Professor Grimes added that these are likely to be "face-saving measures and side deals that would benefit the constituencies of certain key legislators, giving them more reason to move through the agreement".

For now, experts say that Congress is unlikely to act before the International Trade Commission submits its statutorily mandated report on the likely economic effects of a signed TPP, due on May 18.

And once the final implementing Bill is introduced, Congress then has 90 session days - meaning days that Congress is in session - to take a "yes" or "no" vote.

While there is sufficient time to accomplish the necessary steps, Ms Sachs says "an important caveat is that President Obama is not likely to submit the implementation legislation to Congress until he is confident that it will be approved by both the House and the Senate".

Said Mr Watson: "It may be that the President is willing to gamble on a 2016 vote in order to secure the TPP as part of his legacy... but it is a very risky move."