

# Fast Tracking Middle-Class Prosperity



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There is simply no path to middle-class prosperity without expanding U.S. exports. As President Obama has said: “95% of the world’s customers live outside our borders, and we can’t close ourselves off from those opportunities.” By the end of this decade, the Asia-Pacific middle class will expand by more than 1.2 billion people and will make up half of the world’s middle-class consumers. Meanwhile, of the 40 largest economies, the U.S. ranks 39th in exports as a share of GDP. We need a renewed effort to make sure a growing, wealthier world is buying Made in the USA products and using Made in the USA services.

To make that happen, the most important step to take by far is supporting the bipartisan, bicameral trade promotion authority (TPA) deal.

The Bipartisan Congressional Trade Priorities and Accountability Act of 2015 (TPA 2015), sponsored by Sens. Orrin Hatch and Ron Wyden and Rep. Paul Ryan, is the most progressive procedural tool ever introduced to support trade —ensuring future trade deals have the highest standards, most accountability, and biggest benefits for the American middle class. It is far stronger than the Trade Act of 2002,

which was the last time fast track was granted, and it gives Members of Congress on both sides of the aisle ample reason to support trade and rest assured that this export deal will be good for America and Americans. In fact, as trade agreements have become stronger, as our analysis has found, U.S. trade balances have vastly improved, even in the blue-collar goods sector.

Here are five ways this TPA is the best yet for America:

**1) This TPA is the strongest deal yet on labor and the environment.** As part of the principal negotiating objectives, TPA 2015 requires that all trading partners adopt and maintain high-quality standards. No country can fail to enforce their labor or environmental laws to benefit their commercial positions—all signatories must enforce their laws on worker rights even though it could have an economic impact. To add teeth, these labor and environmental standards are fully enforceable and allow for trade sanctions for violators.

High standards like this are critical for the region. If the U.S. fails to set the rules, China will. And that's not good news for American workers, businesses, and our overall economy. As we said in our latest report (published April 14), China has ignored or glossed over labor protections in all their trade deals, while every U.S. trade deal has stronger labor protections, enforcement, and monitoring mechanisms than all Chinese deals.

**2) For the first time ever, this TPA recognizes global human rights.** TPA 2015 also includes a negotiating objective that focuses on trade as a tool for creating more open, democratic societies and for combatting bribery and promoting the rule of law. These negotiating objectives double down on high labor protections and the rights of a child by advocating for the respect of human rights globally. The United States should not conduct business with countries that allow poor treatment of their people or violate fundamental rights that are at the core of American values. This is a major addition from the 2002 TPA package, which didn't mention the phrase

“human rights” even once, nor was there any mechanism in the 2002 law to combat corruption.

**3) This TPA is the strongest ever on public transparency.** TPA 2015 requires a 60-day red light before the President can sign a trade deal. During that period, the trade deal must be made public to allow policymakers and the public to thoroughly review the trade deal. Further, during the negotiations, the U.S. Trade Representative (USTR) is required to provide detailed summaries of what the U.S. is proposing. These steps together allow for greater transparency both during the negotiations and before being signed and enacted. To further increase transparency, TPA 2015 creates the position of transparency officer at USTR to ensure better accountability and public engagement.

**4) This TPA bulks up Congressional oversight and power.** TPA 2015 ensures the highest level of consultations and collaboration with the legislative branch—requiring all Members of Congress to be regularly consulted by USTR and provided with access to the negotiating text. And Members, if they desire, can attend the negotiations of any trade deal. None of the above steps were delineated in 2002. Additionally, to allow Congress to be in the driver’s seat on trade deals, TPA 2015 creates a circuit breaker switch: if Congress feels that the President is not meeting congressional negotiation objectives, Congress can undo fast track. In the 2002 package, there were only two paths for stopping trade deals: the House or Senate could change its process rules, or both the House and Senate would have to disapprove an agreement. TPA 2015 adds this third path to allow either chamber to ‘turn off’ its streamlined voting process.

**5) This TPA ensures enforcement is front and center.** TPA 2015 confirms that no trade agreement can change U.S. law without congressional action nor can it impinge on U.S. domestic policy obligations. Neither of these provisions existed in 2002. It also holds trading partners accountable. TPA 2015 requires the White House to prioritize enforcement

on foreign barriers with the biggest impact on U.S. jobs—with specific timetables to ensure it follows through. It also includes a rapid-response mechanism to prevent other countries from evading duties.

Many policymakers and interest groups reflexively oppose fast track and new trade deals based on old perceptions about trade dating to NAFTA. But that was 21 years ago. Since then, trade promotion authority has become stronger, more accountable, and more progressive. TPA 2015 is the strongest agreement yet, and as we have noted in previous studies—when agreements are strong, U.S. trade balances improve, even in the blue-collar goods sector.

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