House Amendment to the Senate Amendment to H.R. 2146—Trade Priorities and Accountability Act of 2015 (Rep. Reichert, R-WA)

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FLOOR SCHEDULE: SCHEDULED FOR CONSIDERATION ON JUNE 18, 2015 UNDER A CLOSED RULE

PLEASE NOTE: H.R. 2146—THE DEFENDING PUBLIC SAFETY EMPLOYEES' RETIREMENT ACT—BECAME THE VEHICLE IN THE HOUSE FOR TRADE PROMOTION AUTHORITY (TPA).

TOPLINE SUMMARY: The House amendment to the Senate amendment to H.R. 2146 would authorize **Trade Promotion Authority** (TPA), granting the administration the authority to negotiate trade agreements subject to a number of requirements and objectives. **Trade Adjustment Assistance**, (TAA)—which provides additional unemployment benefits and training assistance to workers who lose their jobs as a result of foreign competition—is not included in this amendment.

CONSERVATIVE CONCERNS: Some conservatives have expressed concern that TPA would increase executive power and cede legislative authority as any trade agreement negotiated under fast-track procedures would not be amendable.

COST: No Congressional Budget Office (CBO) estimate is available.

However, a CBO estimate for H.R. 1890—which contains many of the same provisions—can be found here.

In addition, some conservatives have expressed reservations regarding the exclusion of enforceable currency manipulation provisions in TPA. Other conservatives argue that including currency manipulation provisions in TPA itself could endanger the overall TPP negotiations. It should be noted that currency manipulation provisions were included in the House Amendment to the Senate Amendment to H.R. 644 Trade Facilitation and Trade Enforcement Act of 2015, which passed the House on June 12, 2015 by a vote of 240 - 190.

Balanced against these concerns, some conservatives believe that the potential benefits from free trade agreements negotiated under fast track procedures will outweigh the costs. TPP, for example, could potentially serve as an <u>economic counter-balance</u> to China and its <u>Asian Infrastructure Investment Bank</u> (AIIB) by including 12 TPP participating nations in the pacific region in a free trade framework. TPA could provide the U.S. with a stronger hand in negotiating with the 11 other participating TPP nations and could potentially knock down several major trade barriers facing U.S. industries, thus strengthening American exports. According to the <u>Peter G. Peterson Institute</u>, TPP "could yield annual global income gains of \$295 billion (including \$78 billion for the United States) and offers a pathway to free trade in the Asia-Pacific with potential gains of \$1.9 trillion."

- **Expand the Federal Government?** No.
- Encroach into State or Local Authority? No.
- Delegate Any Legislative Authority to the Executive Branch? No, this legislation would establish parameters for the executive branch in negotiating trade deals under fast-track authority.
- Contain Earmarks/Limited Tax Benefits/Limited Tariff Benefits? No.

DETAILED SUMMARY AND ANALYSIS: Detailed analysis on the bill can be found in the <u>RSC's legislative</u> <u>bulletin</u> for title I of the Motion to Concur with the Senate Amendment to H.R. 1314—Trade Act of 2015.

OUTSIDE GROUPS IN SUPPORT OF TRADE PROMOTION AUTHORITY:

- U.S. Chamber of Commerce
- Business Roundtable
- National Association of Manufacturers
- National Taxpayers Union (key voting)
- Competitive Enterprise Institute
- Citizens against Government Waste
- R Street (expresses some concern over copyright issues)
- Taxpayers Protection Alliance
- Americans for Tax Reform
- The American Conservative Union
- Frontiers of Freedom
- Rio Grande Foundation
- <u>Institute for Policy Innovation</u>
- Institute for Liberty
- Crossroads GPS
- Conservative Reform Network
- 60 Plus Association
- American Action Network

OUTSIDE GROUPS IN OPPOSITION:

- Eagle Forum
- NumbersUSA
- Center for Security Policy
- End Global Governance
- Coalition for a Prosperous America
- American Automotive Policy Council has expressed concern over <u>currency manipulation</u> measures.
- Heritage Action

OUTSIDE GROUPS IN SUPPORT OF TPA BUT OPPOSED TO TAA

Club for Growth

COMMITTEE ACTION: The Bipartisan Congressional Trade Priorities and Accountability Act of 2015 (TPA-2015; H.R. 1890/S. 995) was introduced on April 16, 2015. The legislation was reported by the Senate Finance Committee on April 22, 2015, and by the House Ways and Means Committee on April 23, 2015. TPA was incorporated into H.R. 1314 as a substitute amendment and was passed by the Senate on May 22, 2015 by a vote of 62-37. The Senate amendment to H.R. 1314—Trade Act of 2015, comprised of TPA and TAA was taken up on the floor of the House on June 12, 2015. The rule to the bill then divided it into three questions

(TPA/TAA/offset). TAA (Title II of the Senate amendment to H.R. 1314) failed to pass by a vote of $\underline{126-302}$. TPA (preceding Title II) passed by a vote of $\underline{219-211}$. TPA was then introduced separately from TAA as the House amendment to the Senate amendment to H.R. 2146.

ADMINISTRATION POSITION: No statement of administration policy is available.

CONSTITUTIONAL AUTHORITY: Congress has the power to enact this legislation pursuant to the following: Pursuant to Clause 1 of Section 8 of Article I of the United States Constitution and Amendment XVI of the United States Constitution.

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