

Overview

The United States is currently negotiating two of the largest multi-national trade agreements in its history – the [Trans-Pacific Partnership \(TPP\)](#) with major economies in Asia and the Americas, and the [Trans-Atlantic Trade and Investment Partnership \(T-TIP\)](#) with Europe.

When complete, these agreements will be the product of many years of complex and delicate negotiations involving stakeholders not just overseas but in America and in Congress. Recently, President Obama asked Congress to renew “trade promotion authority” (TPA), so that the final deals – when they happen – can get an up-or-down vote in Congress. This request, however, has been met with controversy.

What’s the history of Trade Promotion Authority?

Under the U.S. Constitution, Congress has the power to regulate international trade, while the President has the authority to negotiate international agreements. In 1934, however, Congress delegated to President Franklin D. Roosevelt unilateral authority to lower tariffs on foreign goods, in the [Reciprocal Trade Agreement Act of 1934](#). Congress gave Roosevelt this power as a way to undo the damage done by the Smoot-Hawley Tariff Act of 1930, under which Congress levied an array of punitive tariffs on foreign imports. These tariffs led to retaliation by foreign countries and an eventual [41 percent decline](#) in U.S. trade that experts agree prolonged the Great Depression.

Congress gave successive Presidents the same power over tariffs until 1962, when the 1934 Act finally expired. In 1974, Congress passed the modern precursor to TPA. Unlike the earlier legislation, the Trade Act of 1974 also gave the President authority to negotiate over non-tariff barriers to trade and set up the TPA process for the Congressional approval of trade agreements. The last version of this legislation expired in 2007.

What do supporters argue are the benefits of TPA?

Trade policy [historians](#) say that Congress initially granted the President TPA for two reasons: first, to reduce the impact of “logrolling” that would result from members of Congress with special interests in their states or districts directly negotiating a trade deal (in addition to its sheer impracticality); and second, because Congress recognized that foreign countries may be reluctant to enter into agreements that could be endlessly debated or amended by Congress.

As a Congressional Research Service [report](#) put it, “Trade agreements can also be the product of a fragile consensus between trade partners, and TPA procedures were designed to protect such a consensus from congressional amendments that would change the basic agreement.”

How does TPA work?

Under the last version of TPA passed by Congress, expedited approval procedures

Key Facts

- Under “trade promotion authority” (TPA), trade agreements that meet Congressionally-mandated requirements become eligible for expedited, up-or-down approval by Congress.
- The modern version of trade promotion authority was enacted in 1974, repeatedly renewed, and last expired in 2007. President Franklin D. Roosevelt was granted a precursor to TPA in 1934.
- The United States is currently negotiating two major new regional trade agreements with Asia and Europe, the Trans-Pacific Partnership (TPP) and the Trans-Atlantic Trade and Investment Partnership (T-TIP).
- In connection with these negotiations, President Obama asked for TPA renewal in 2013.

Essential Links

- Congressional Research Service, [Trade Promotion Authority \(TPA\) and the Role of Congress in Trade Policy, January 2014 \(RL33743\)](#)
- Office of the U.S. Trade Representative, [Trade Agreements Resource Center](#)
- U.S. Bureau of Economic Analysis, [International Economic Accounts](#)
- U.S. International Trade Administration, [Trade Statistics](#)

apply *only if* a trade agreement negotiated by the President meets the general principles and goals outlined by Congress in its authorizing legislation.

These principles might include, for example, the labor and environmental standards that Congress would like to see. Here's a simplified version of the process as it has worked in the past:

- **Step one:** Congress passes trade promotion authority legislation that defines policy priorities and negotiating objectives and lays out the procedure for up-or-down approval by Congress;
- **Step two:** The United States negotiates a trade agreement that meet these Congressionally-set guidelines; and
- **Step three:** Assuming an agreement meets these requirements, it would move through the expedited approval process.

In the past, TPA has required the President to provide 90-day notice of his intent to submit a trade agreement for approval by Congress. The President was also required in advance to submit written documentation showing that the statutorily required objectives were met, along with draft implementation legislation and a statement of the administrative action that would be necessary to implement the new deal. If an agreement ultimately reaches the House and Senate floor, past processes have limited debate and allowed for simple majority approval.

What about the role of Congress?

Under past versions of TPA, Congress has delegated the day-to-day negotiation of trade deals to the President while retaining consultation and advisory roles for itself. The biggest lever Congress has is in defining the priorities and objectives of any trade agreement entered into by the United States, such as labor and environmental standards. Congress has also provided ongoing consultation through hearings on pending trade agreements, by sending letters to the Administration and through continual informal consultations between Administration officials and members while an agreement is being negotiated. Past TPA legislation has also created a formal Congressional advisory committee, although the effectiveness of this mechanism has been questioned.

Why hasn't TPA been renewed?

One reason is that President Obama didn't formally ask for TPA renewal until 2013, when negotiations around T-TIP and TPP began reaching a critical stage. [Critics](#) of trade have also objected to the renewal of TPA, arguing that the process still fails to provide sufficient "[transparency, accountability and oversight](#)."

Proponents of trade, however, argue that without TPA, the United States will be unable to complete the multi-national trade deals now under negotiation. The result, they say, is that America could miss out on major new opportunities to promote the export of U.S. goods and services.

More Resources

- Office of the U.S. Trade Representative, [Trade Facts](#)
- Office of the U.S. Trade Representative, [Text of the "May 10" Bipartisan Agreement on Trade Policy](#)
- U.S. Senate Finance Committee, [Full Committee Hearing on Advancing Congress's Trade Agenda \(Jan. 2014\)](#)

About Center Forward

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