

Business Flags Problem With Strong Support For Michaud Bill

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U.S. business representatives late last week expressed alarm to outgoing Assistant U.S. Trade Representative for Congressional Affairs Daniel Sepulveda about the large number of Democrats that are cosponsoring trade legislation calling for a radical overhaul of U.S. trade policy.

The legislation, introduced earlier this year by Rep. Mike Michaud (D-ME), has attracted 125 total supporters out of a current total of 256 House Democrats, according to the House clerk website. This means that with the addition of four more Democrats, the supporters would represent the majority of the current Democratic caucus.

Even if the bill is not expected to advance in Congress, that level of support could complicate the politics of passing trade deals in the future, according to business sources. They point out that the Michaud bill rejects the model underpinning the trade deals the U.S. has already negotiated with Panama, South Korea and Colombia.

Business representatives claim the administration is partly to blame because its focus on health care reform has created a "vacuum" on trade policy that is being filled by Michaud and supporters of his bill. These supporters include Public Citizen, the United Steelworkers, and the AFL-CIO.

This issue came up at the meeting with Sepulveda, and business representatives said that one way to fill the "vacuum" on trade policy would be to attempt to pass these pending FTAs. Sepulveda then asked business groups what level of support each trade agreement could expect to garner in Congress (see related story).

One private-sector source said USTR and House Ways and Means Committee Chairman Charles Rangel (D-NY), as well as Rep. Sander Levin (D-MI), chairman of the trade subcommittee, are informally working to hold support for the Michaud bill at bay, but not forcefully enough.

Nevertheless, the only member of the Ways and Means Committee supporting the bill is Rep. Danny Davis (D-IL), even though committee member Rep. Linda Sanchez (D-CA) is a member of the House Trade Working Group, which is headed up by Michaud and endorses many of the principles underpinning the Michaud bill.

At the Oct. 16 meeting, Sepulveda said USTR is following the Michaud bill but did not outline an official USTR position on the legislation. But he did say USTR is discussing the bill with members of Congress, and acknowledged some of the business groups' objections to the bill, one source said.

Business sources said they would continue their work to ensure that a majority of Democrats do not sign on to the legislation. One source said this effort would now intensify and would likely involve lobbying members not to sign on and also lobbying supporters to remove their support.

This source denied that all the Democrats supporting the legislation would necessarily vote against pending trade deals with Colombia, South Korea and Panama. If President Obama were to actually send up a trade deal to Congress and ask members to support it, it would likely receive support from at least some members currently supporting the Michaud bill, this source argued.

Michaud introduced the Trade Reform, Accountability, Development and Employment (TRADE) Act last June with 106 supporters, including nine committee chairs and 45 subcommittee chairs.

The bill requires a review of existing trade deals and the renegotiation of those deals if they do not meet specific criteria (Inside U.S. Trade, June 26).