

USTR Downplays Obama Trade Speech; G20 Unlikely To Focus On Trade

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Officials in the Office of the U.S. Trade Representative are informally downplaying expectations that President Barack Obama will at some point give a major trade policy speech outlining precisely how the administration would like to move forward on various trade initiatives, sources said.

These officials are signaling that the presidential speech on trade will talk in more general terms on how trade fits into the broader framework for international economic policy under the new administration, sources said.

The latest message from USTR on the presidential trade speech likely reflects the fact that expectations now exceed what the administration would feel comfortable delivering, sources speculated.

But USTR Ron Kirk still seems anxious to press ahead more aggressively on trade initiatives and appears frustrated by the lack of a firmer mandate on trade policy from the White House. Kirk had appeared hopeful that a detailed presidential speech could help propel forward U.S. trade policy, sources said.

Kirk told Rep. Randy Neugebauer (R-TX) in a Sept. 9 meeting that he needs a “green light” from the president in order to move forward with pending free trade agreements, Neugebauer said in a Sept. 10 interview with Inside U.S. Trade.

According to Neugebauer, Kirk added that the “queue is a little full for the president right now” with other pressing issues. Trade policy has largely been sidelined this year in favor of health care and climate change.

While there is no firm time line for the presidential trade speech, most observers believe that it will not come before the Sept. 24-25 G20 summit in Pittsburgh.

Trade is shaping up to play a minor role at that G20 summit, which is expected to do little more than reiterate the commitments to maintain open markets, guard against protectionism, and to promote trade liberalization, including the conclusion of the Doha round of global trade talks, sources said.

There may also be an endorsement of whatever Doha round work plan for the coming months senior officials are able to devise in Geneva starting next week (see related story).

A major part of the G20 meeting is likely a discussion about establishing a framework for a sustainable, balanced global economy, which would ask countries not to depend solely on export-led growth. The group of world leaders may opt to institute a peer review process to help ensure that countries adhere to that commitment.

Officials from the G20 countries today (Sept. 11) are concluding a two-day meeting in Washington on the draft communiqué for the G20 meeting, sources said.

U.S. trade lobbyists had hoped that Obama would use the occasion of summit as an opportunity to take a more assertive role on trade.

They have been pressing for a detailed presidential trade speech ever since a USTR official last May testified to the Senate Finance Committee that the president was not willing to send the U.S.-Panama free trade agreement to Congress until he has outlined a new trade framework.

One pro-trade lobbyist suggested this week that this U.S. business pressure for such a trade speech may have backfired because it generated pressure on the administration from those opposed to passage of pending trade deals to not have the president deliver the speech.