

## Economic Analysis

## Timeline: Congress Passes Fast-Track and TAA

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- **Congress passed TPA on Wednesday, allowing the president to expedite trade deals**
- **On Thursday, TAA was passed, offering relief to displaced American workers**
- **The president is now free to negotiate final details of the TPP, a trade deal with Asia**

President Obama will soon have two major trade bills on his desk for signing—Trade Promotion Authority (TPA) and Trade Adjustment Assistance (TAA). TPA allows deals to be “fast-tracked,” meaning that Congress can veto them with a yes-or-no vote, but cannot amend them, while TAA offers financial aid and job training to American workers displaced as a result of foreign trade. This month—particularly this week—has been a whirlwind of activity surrounding the two bills, as they have gone back and forth between the Senate and the House. Pressure was high; the passage of TPA would ultimately determine the success of the Trans-Pacific Partnership (TPP) and the Transatlantic Trade and Investment Partnership (TTIP), as certain countries involved would be reluctant to move ahead without the presence of TPA ([see our previous brief on TPA](#)).

### Timeline

**Friday, May 22:** The Senate passed a bundled version of TPA and TAA. Although eventually going through with a 62-37 vote, the trade package survived a near-death experience as the Senate narrowly cut off a filibuster and a veto threat before eventually sending the bill to the House.

**Friday, June 12:** The TPA and TAA package failed to pass the House, primarily due to a lack of support from the Democrat side. The AFL-CIO, together with other unions, had implemented a freeze on political contributions in order to bring pressure on Democrats to vote against fast-track. Along with union pressure, many Democrats also cited TPA’s lack of congressional consultation and TAA’s insufficient worker protections as causes for concern. Although House Democrats generally expressed support of TAA, they took the opportunity to defeat TPA by voting against the package deal.

**Thursday, June 18:** Lawmakers unbundled TPA and TAA, so that TPA could be considered as a standalone bill. Republican leaders assured Democratic opponents of fast-track authority that TAA would be brought to a vote separately and thus have a better chance of passing. TAA was strategically packaged with the widely popular extension of the African Growth and Opportunity Act (AGOA). This new package also contains a program to make U.S. steel manufacturers more competitive, a special program for Haiti, and a renewal of a preferential tariff system for many goods from developing countries. Last week, the House approved the standalone TPA bill with a vote of 218-208, and the bill was sent to the Senate.

**Tuesday, June 23:** The Senate held a procedural vote to advance TPA in order to clear any filibuster hurdle. Exactly 60 senators (the minimum required vote) voted to overcome a filibuster, allowing TPA to be considered for final passage.

**Wednesday, June 24:** TPA received final approval from the Senate on a vote of 60-38. As it was already passed by the House, it now goes directly to Obama’s desk for his signature. The Senate then quickly passed the AGOA package, including TAA, in a voice vote and sent it to the House.

**Thursday, June 25:** The tide changed after passage of TPA, and union and Democratic leaders backed down on TAA, as it was uncertain if the White House would hold out for a stronger version of the bill. One Democratic leader went so far as saying that voting against TAA at this point would be like “cutting off our noses to spite our face.” The House ultimately voted in favor of TAA (packaged with AGOA) with a vote of 286-138. The bill will soon join TPA on Obama’s desk for his signature.

## What’s next?

Although significant hurdles have been cleared for future free trade agreements, the work is far from over. With his newly-passed fast-track authority, Obama must now negotiate the final pieces of the TPP and send it to Congress for a final yes-or-no vote from both the Senate and the House, with no ability to amend the text. TPA should also serve to expedite passage of the TTIP, the bilateral free trade agreement to be negotiated between the EU and the U.S. ([see our TTIP brief](#)).

Congress is also slated to consider a bill to reform customs and enforcement procedures. This bill includes a provision prohibiting the use of fast-track authority for any trade deals that involve countries flagged in the State Department’s annual human-trafficking report. This provision has created some friction, because Malaysia, one of the 12 parties of the TPP, was featured in the report last year. Lawmakers recently compromised to allow Obama to waive this provision in negotiating the TPP, as long as Malaysia pledges to take measurable steps to implement the anti-trafficking recommendations of the State Department.

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