



# White & Case LLP General Trade Report - JETRO

January 2014

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## UNITED STATES

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### GENERAL TRADE POLICY

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#### *US General Trade Policy Highlights*

### Senate Energy and Natural Resources Committee Ranking Member Calls for Liberalizing US Energy Exports

Senate Energy and Natural Resources Committee Ranking Member Lisa Murkowski (R-AK) issued on January 7, 2014 a white paper titled “A Signal to the World: Renovating the Architecture of US Energy Exports,” arguing in favor of liberalizing exports of coal, liquefied natural gas (LNG), natural gas liquids (NGLs), crude oil and condensates, petroleum products and renewable energy technology, and urging a continuation of US federal government support for nuclear energy technology. Sen. Murkowski’s white paper “proposes a series of recommendations to renovate the [the United States’] approach to energy trade and strengthen [its] global posture.”

We provide below several desired policy outcomes Sen. Murkowski puts forward:

- **Coal.** The white paper urges (i) federal regulatory agencies not to take climate change into account during the permitting processes for facilities through which coal exports pass, and (ii) such multilateral organizations as the World Bank to “reverse efforts to ban financial support for coal projects overseas;”
- **LNG.** The white paper notes that (i) the Department of Energy (DOE) “should expedite its review process for applications to export LNG to [...] countries” with which the United States does not have a free trade agreement (FTA), and (ii) federal environmental reviews for LNG projects should not contemplate possible climate change impacts; and
- **Crude Oil and Condensates.** The white paper urges (i) the Obama Administration to exercise its executive authority to liberalize crude oil exports, or (ii) lawmakers to update the law governing crude oil exports if President Obama does not take executive action to effect such liberalization.

Sen. Murkowski presented the white paper at a January 7 Brookings Institution event, where she gave remarks expanding on the arguments the white paper makes. She pointed to the difficulties labyrinthine review processes for certain energy exports pose for such exports, explaining that “[t]he State Department reviews cross-border oil pipelines, such as Keystone XL, but petroleum products, crude oil, and condensate fall under the [...] Department [of Commerce (DOC)]; [DOE] grants export licenses for [LNG], but then [DOC] permits exports of [NGLs], [...] and the Federal Energy Regulatory Commission [(FERC)] regulates cross-border [LNG] pipelines.” According to Sen.

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Murkowski, such review processes are rooted in, *inter alia*, “the Natural Gas Act of 1938; the Atomic Energy Act of 1954; the Energy Policy and Conservation Act of 1975; and [...] executive orders” dating back to the 1950s; however, she asserted that she is not proposing comprehensive energy export legislation to streamline current review processes. Rather, she stated that the Obama Administration already enjoys the statutory authority to execute such streamlining, but that lawmakers could “introduce small, targeted bills to move the ball forward as needed.”

The January 7 white paper is the second in Sen. Murkowski’s Energy 20/20 series; the first white paper, released in August 2013 and titled “The Narrowing Window: America’s Opportunity to Join the Global Gas Trade,” urges the DOE to expedite the approval process for LNG exports to countries with which the United States does not have FTAs, which is an area the second white paper also addresses. As of December 6, 2013, DOE has approved five of the 28 applications received for the export of LNG.

Senate Energy and Natural Resources Committee Chairman Ron Wyden (D-OR) does not join Sen. Murkowski in her strong support of liberalizing US energy exports, but Sen. Wyden is set to soon depart the Committee to assume chairmanship of the Senate Finance Committee, and Sen. Mary Landrieu (D-LA) is set to assume the Energy and Natural Resources Committee chairmanship in his place. In comparison to Sen. Wyden’s view on US energy exports, Sen. Landrieu’s view is more akin to that of Sen. Murkowski, such that the Senate committee with purview over energy-related legislation will likely become friendlier to US energy export liberalization with Sen. Wyden’s departure.

Click [here](#) for a copy of the white paper, and [here](#) for access to the entire Energy 20/20 series.

## **USTR Seeks WTO Compliance Action over China AD/CVD Duties on US Exports of Grain Oriented Flat-Rolled Electrical Steel**

On January 13, 2014, the Office of the United States Trade Representative (USTR) requested consultations with China regarding its alleged non-compliance with WTO rules. Previously, a WTO panel and the Appellate Body concluded that Chinese antidumping (AD) and countervailing duty (CVD) determinations on imports of US grain oriented flat-rolled electrical steel (GOES) were inconsistent with the WTO Anti-Dumping Agreement (ADA). However, the United States considers China’s subsequent AD/CVD re-determination is inconsistent with China’s WTO obligations. As a result, the US consultation request aims to ensure that China implements the Dispute Settlement Body’s (DSB) rulings and recommendations.

China first imposed AD/CVD measures on GOES imports from the United States on April 10, 2010. However, the two named US exporters, AK Steel and Allegheny Ludlum, and the US government, alleged that China did not provide sufficient evidence to demonstrate the relationship between US GOES imports and material injury to the Chinese industry. Consequently, on September 15, 2010, the United States initiated WTO dispute settlement proceedings challenging China’s imposition of the AD and CVD duties.

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The US challenge was successful; the WTO Appellate Body on October 12, 2012 issued its report which concluded that China's AD/CVD methodology was inconsistent with several ADA provisions. On July 31, 2013, China issued AD/CVD re-determinations on US GOES imports, with a view to bringing the measures into conformity. China decreased the AD duties from 7.8-64.8 percent to 7.8-13.8 percent, and the CVDs from 11.7-44.6 percent to 3.4 percent.

Although China decreased the duties, the United States considers that the re-determinations remain inconsistent with China's WTO obligations. The United States argues that (i) China's analyses of price effects in the domestic market, as well as the causal relationship between US GOES imports and injury, were not objective or based on positive evidence; (ii) China failed to conduct a "non-attribution analysis" to determine the extent other factors caused injury; and (iii) China failed to comply with disclosure and publication requirements.

The "reasonable period of time" for China to bring its AD/CVD measures into compliance expired on July 31, 2013, and the United States and China entered into an agreement on August 19, 2013 on the procedures that would govern future compliance proceedings. Pursuant to that agreement, the United States and China will hold consultations within 15 days of the receipt of the US consultations request. After that 15-day period has elapsed, the United States may request at a DSB meeting the establishment of a compliance panel pursuant to Article 21.5 of the Dispute Settlement Understanding, and China will accept the establishment of that panel at that time. Given that the next DSB meeting is January 22, the earliest that a compliance panel could be established in this dispute is at the DSB meeting on February 26, 2014.

Click [here](#) for the US consultation request with China, [here](#) for MOFCOM 2013 re-determination order, and [here](#) for the WTO Appellate Body's findings.

## House and Senate Agriculture Committees Reach Agreement on 5-Year Farm Bill

House Agriculture Committee Chairman and Ranking Member Frank Lucas (R-OK) and Collin Peterson (D-MN), respectively, and Senate Agriculture Committee Chairwoman and Ranking Member Debbie Stabenow (D-MI) and Thad Cochran (R-MS), respectively, announced on January 27, 2014 a bipartisan agreement on a five-year farm bill. A related House and Senate joint press release notes that H.R. 2642 ("Agricultural Act of 2014") eliminates the direct payments program, streamlines and consolidates numerous programs to improve effectiveness and decrease duplication, reduces program misuse, provides support for farmers and ranchers affected by natural disasters or significant economic losses, and protects land and water resources.

The Farm Bill sets a significant portion of US agricultural trade policy. Specifically, the Farm Bill contains provisions that not only promote the export of US agricultural products, but also support the US agricultural industry and facilitate the distribution of food aid in foreign countries. Domestic farm support, however, has been the subject of numerous disputes before the World Trade Organization, e.g., United States — Subsidies on Upland Cotton (DS 267). Most programs under the Food, Conservation, and Energy Act of 2008 ("2008 Farm Bill") lapsed on October 1, 2013.

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House and Senate Agriculture Committee Leadership asserts that the Agricultural Act of 2014 agreement:

- ends **direct payments**, bolsters **crop insurance**, and provides for a permanent **livestock disaster assistance program** for producers affected by natural disasters;
- consolidates 23 existing **conservation programs** into 13 programs;
- maintains **Supplemental Nutrition Assistance Program (SNAP)** benefits for families but addresses fraud and misuse to achieve savings;

The related press release also notes that the Agricultural Act of 2014 provides, *inter alia*, (i) export promotion support for US farmers, (ii) non-food based advanced biomass energy production support, and (iii) reduces regulatory barriers.

Senate Agriculture Committee Democrats, led by Sen. Stabenow, note that the Agricultural Act of 2014, as compared to previous Farm Bills, pivots away from direct payment subsidies to farmers and toward risk management measures for farmers. For example, the federal government will increase the portion it pays of farmers' crop insurance premiums, while reducing the payments made to farmers even when conditions are not adverse. The bipartisan Agricultural Act of 2014 agreement appears to have garnered the support of House Speaker John Boehner (R-OH) and Senate Majority Leader Harry Reid (D-NV), in addition to tepid to strong support from the American Soybean Association (ASA), American Farm Bureau Federation, American Sugar Alliance, USA Rice and the National Milk Producers Federation. However, stiff opposition to the bipartisan Agricultural Act of 2014 agreement has also emerged:

- **The Club for Growth** notes that the Agricultural Act of 2014 does not eliminate federal agricultural subsidies;
- **Senate Agriculture Committee Member Pat Roberts (R-KS)** notes that "amber box subsidy programs open [the US] agriculture [sector] to global trade disputes," *e.g.*, through the WTO, pointing to the US-Brazil dispute over upland cotton as a recent example;
- **Sen. Charles Grassley (R-IA)** notes that the Agricultural Act of 2014 is "bad for [US] credibility with [its] trading partners;"
- **Rep. Randy Neugeberger (R-TX)**, while generally supportive of the Agricultural Act of 2014, notes that the bill does not do enough to end "the trade-distorting Country of Origin Labeling (COOL) program."

Due to disagreements over SNAP funding, House lawmakers voted 195 to 234 to unexpectedly defeat an earlier Farm Bill proposal on June 20, 2013. Notably, 172 of the 234 House lawmakers who voted against passage of the Farm Bill were Democrats. House and Senate Agriculture Committee leadership appears to have largely overcome the SNAP-related issues, and lawmakers are aiming to avoid a fight over farm and nutritional support in the months prior to the November 2014 mid-term elections. The Agricultural Act of 2014 agreement therefore has a fair likelihood of

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passage, although unexpected hurdles could emerge as they did in June 2013. House lawmakers could vote on the Agricultural Act of 2014 as early as January 29, 2014.

Click [here](#) for a copy of the Agricultural Act of 2014 agreement conference report, and [here](#) for a joint explanatory statement.

## United States Joins Global Push to Liberalize Trade in Green Goods

United States Trade Representative (USTR) Michael Froman announced on the margins of the World Economic Forum in Davos on January 24, 2014 that the United States is joining 13 fellow World Trade Organization (WTO) members to launch negotiations toward liberalizing trade in environmental goods.<sup>1</sup> Negotiations will aim to reduce – by 2015 – most-favored-nation (MFN) tariffs levied on certain environmental goods, based on the September 2012 Asia-Pacific Economic Cooperation (APEC) Members' List of 54 Environmental Goods. Although Parties will focus initially on goods and tariff elimination, there is consensus on achieving a “living agreement” that could widen and evolve to address future needs, which may include services and non-tariff barriers to trade in such goods.

Based on the preliminary details available in the Joint Statement, the negotiations will incorporate the following interests:

- **APEC List of Environmental Goods as Baseline Coverage of Goods.** The APEC List contains 54 6-digit sub-headings of the Harmonized System (HS). Nevertheless, tariff reductions only cover certain “environmental goods” or “ex-outs.” These goods include three broad categories of (i) renewable energy production, (ii) environmental monitoring analysis and assessment equipment, and (iii) management of solid and hazardous waste and recycling systems. Using the APEC List as the baseline does not preclude discussion on additional environmental goods.
- **MFN Tariff Reduction on Environmental Goods.** The Joint Statement does not explicitly mention specific targets for bound and applied tariff rates. In addition, the Parties use the term “reduce” not “eliminate” when discussing MFN tariff goals. In this regard, the commitment surrounding the APEC List can be instructive. Originally, APEC Leaders on September 9, 2012 agreed to cut applied tariffs to five percent or less. The APEC List and tariff reduction commitment is not binding, however, given that APEC is a voluntary forum.
- **Living Agreement.** The Parties aim to create a “future oriented agreement.” According to the European Commission, this concept would make it possible for the agreement to address barriers to trade in environmental services.

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<sup>1</sup> The 14 participating WTO members are Australia, Canada, China, Costa Rica, the European Union, Hong Kong, Japan, Korea, New Zealand, Norway, Singapore, Switzerland, Taiwan, and the United States.

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- **Critical Mass Needed to Take Effect.** The Parties agreed that the final agreement would take effect upon the participation of a so-called “critical mass” of WTO members. According to sources, China’s decision to support the Joint Statement – which Parties reached not long before issuing – and to join the negotiations from the start is crucial in this context. Although the Parties have not publicly put forth metrics to measure critical mass, the threshold would have to be high enough to prevent “free-riding,” perceived or otherwise.

Negotiations at the WTO-level on trade in environmental goods began as early as November 2001. The Doha Declaration adopted at the Fourth WTO Ministerial Conference (2001) asked WTO members to identify environmental goods and services as a group for liberalization. Paragraph 31 (iii) of the Doha mandate establishes that negotiations should focus on “the reduction or, as appropriate, elimination of tariff and non-tariff barriers to environmental goods and services.” However, the Doha mandate does not specify what constitutes an environmental good or the desirable extent of liberalization. Consequently, WTO members have been struggling to craft a list of environmental goods and modalities for liberalization.

Considering the WTO’s history in this endeavor, the APEC List will be helpful in providing some direction and foundation for negotiators. During the conception of the APEC List, APEC members also referred to past efforts, given there is some degree of convergence between the APEC List and other global efforts. Forty-eight out of 54 HS sub-headings in the APEC List are also part of the proposal on the part of the Friends of the Environmental Goods and Services (EGS) Group in WTO, while 38 of the sub-headings are part of the combined Organization for Economic Co-operation and Development’s (OECD) illustrative list and the list discussed at the APEC Early Voluntary Sectoral Liberalization in the 1990s.

Click [here](#) for the Joint Statement, and [here](#) for the APEC List of Environmental Goods.

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## FREE TRADE AGREEMENTS

### *Free Trade Agreement Highlights*

## United States and European Union Negotiators Hold 3rd Round of TTIP Negotiations

US and EU negotiators concluded on December 20, 2013 in Washington, DC the 3rd round of negotiations toward the Transatlantic Trade and Investment Partnership (TTIP). Toward the middle of the round, the Office of the United States Trade Representative (USTR) held an event at which US and EU civil society stakeholders gave presentations to advocate their respective desired outcomes for the ongoing TTIP negotiations. The US Chief Negotiator Assistant USTR Dan Mullaney and his EU counterpart Director Ignacio García Bercero gave remarks to the press following the round on the progress of negotiations, and fielded several questions.

24 negotiating groups met during the 3<sup>rd</sup> TTIP negotiating round, covering the entire range of issues the parties intend to cover under the Agreement; in this regard, AUSTR Mullaney specifically pointed to (i) industrial and agricultural goods market access and corresponding rules of origin (ROOs), (ii) technical barriers to trade (TBTs), (iii) sanitary and phytosanitary (SPS) measures, primarily relating to food safety, regulatory coherence and particular sectors, (iv) investment and services, including in regard to telecommunications, e-commerce, cross-border services and financial services, (v) government procurement, (vi) intellectual property, (vii) labor, (viii) environment, (ix) competition, e.g., state-owned enterprises (SOEs), and (x) small- and medium-sized enterprises (SMEs). He also noted that the parties discussed possible paths forward on other such issues as localization barriers to trade, raw materials and energy trade, and legal and institutional issues, e.g., dispute settlement.

- **On (i)**, AUSTR Mullaney noted that the US International Trade Commission (ITC) has now provided USTR with a study on the impact on the US economy of tariff elimination under TTIP, such that the parties were able to begin discussions during the 3rd round on goods market access, and will likely exchange market access offers in early-2014. On ROOs, Director García Bercero asserted that the parties have not yet held extensive discussions in this area;
- **On (ii) and (iii)**, which have been a TTIP focal point among officials and stakeholders since the parties announced their intention to negotiate the agreement, both the US and EU Chief Negotiators confirmed that they would seek to achieve in TTIP horizontal, cross-cutting commitments on regulatory issues in a wide range of sectors, and also reach specific commitments for certain individual sectors. In this regard, Director García Bercero noted that the parties could reach sector-specific commitments on automobiles, pharmaceuticals, medical devices, cosmetics, textiles, chemicals, and information and communication technology (ICT), e.g., mutual recognition of technical standards, of manufacturing facility inspections, and/or of conformity assessments. US and EU TTIP negotiators face significant political difficulty with respect to regulatory issues, as many powerful civil society stakeholders allege that the TTIP is a vehicle for deregulation; both AUSTR Mullaney and Director García Bercero clarified that the goal of TTIP negotiations on regulatory issues is to eliminate behind-the-border barriers without

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compromising the right of government to regulate in the public's interest, e.g., on consumer, health, environment, privacy and other protections;

- **On (iv)**, particularly in regard to e-commerce issues and cross-border data flows, which have become a focal point of concern due to recent revelations about National Security Agency (NSA) digital spying activities, the US and EU Chief Negotiators emphasized the importance of ensuring citizen's digital privacy; however, Director García Bercero asserted that "[d]ata privacy is not part of the TTIP negotiations [...] [t]here are other [fora] where issues and concerns related to data privacy are being discussed between the United States and the European Union [...] [b]ut the TTIP is not the right forum for overseeing those issues;"

On raw materials and energy trade, Director García Bercero emphasized the importance of the European Union gaining a "clear guarantee of security of access to US resources;" AUSTR Mullaney noted on this point that an exception to US LNG export restrictions under TTIP depends on whether the Agreement contains language providing "for national treatment in national gas area." USTR's position on energy exports in the context of TTIP negotiations will depend on whether the US Department of Energy and other official US entities deem such exports to be in the public interest, although the United States has typically provided its free trade agreement (FTA) partners national treatment with respect to LNG exports.

The US and EU Chief Negotiators both affirmed their commitment to achieving enforceable provisions under TTIP, and to the investor-state dispute settlement (ISDS) mechanism. Several civil society stakeholders allege that an ISDS mechanism is unnecessary between such economies with strong rule of law as the United States and the European Union; however, Director García Bercero pointed to the approximately 1,400 investment treaties to which EU member states are party, "all of which include an [ISDS] mechanism." He also noted that nine EU member states already have such investment treaties with the United States. AUSTR Mullaney further added that all US FTAs include ISDS mechanisms.

AUSTR Mullaney and Director García Bercero emphasized the importance of maintaining support for TTIP at the political-level over the long-term; both the United States and the European Union have highly active, influential and sophisticated civil societies that can provide support for TTIP as well as strong opposition to it. In this regard, the US and EU Chief Negotiators point to the need for a strong political commitment to concluding the Agreement, and for proactive engagement on the part of negotiators of stakeholders in order to minimize their potential political obstruction of such conclusion.

AUSTR Mullaney noted that, in early-2014, Director García Bercero and he will take "stock at a political-level of [progress thus far, and plan] on what [the parties] need to do to move this negotiation forward in the year 2014." He further noted that USTR and the European Commission are currently working on the negotiating round schedule for 2014.

Click [here](#) for a copy of remarks AUSTR Mullaney and Director García Bercero gave to the press.

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## Congressional Trade Committee Leadership Introduces Trade Promotion Authority Bill

Senate Finance Committee Chairman Max Baucus (D-MT), Ranking Member Orrin Hatch (R-UT) and House Ways and Means Committee Chairman Dave Camp (R-MI) introduced Trade Promotion Authority (TPA) legislation on January 9, 2014. A related Senate Finance Committee press release notes that the “Bipartisan Congressional Trade Priorities Act of 2014 [“TPA 2014”] establishes 21st century Congressional negotiating objectives and rules for the [Obama] Administration [-or its successor-] to follow when engaged in trade talks, including strict requirements for Congressional consultations and access to information.”

TPA legislation has typically comprised three principal components: (i) Congress’ desired negotiating outcomes for trade agreements the Executive Branch’s Office of the United States Trade Representative (USTR) negotiates; (ii) executive-congressional notification and consultation requirements; and (iii) procedures for expedited congressional consideration of trade agreements negotiated, allowing lawmakers to vote up-or-down on such agreements but not to amend the same. The 2002 TPA law (“TPA 2002”) expired in 2007, and the Obama Administration’s USTR has proceeded with negotiations toward, *inter alia*, the Trans-Pacific Partnership (TPP) and the Transatlantic Trade and Investment Partnership (TTIP) without such authority.

In regard to Congress’ desired negotiating outcomes, TPA 2014 reportedly updates several areas of TPA 2002 to address certain emerging issues, including (i) competition from state-owned or state-controlled enterprises (“SOEs”), (ii) forced localization, (iii) cross-border data flow (CBDF) restrictions, (iv) labor rights and environmental protection, (v) intellectual property rights (IPR), including language on government cyber theft and piracy, (vi) goods and services market access, including language on currency misalignment and agriculture trade barriers. We provide below greater analysis on several of these lawmakers’ updated desired negotiating outcomes:

- **SOEs.** TPA 2014 directs USTR negotiators to seek commitments that (i) “eliminate or prevent trade distortions and unfair competition favoring [SOEs],” and (ii) “ensure that [SOEs’ commercial] engagement is based solely on commercial considerations.” TPA 2014 specifically targets non-transparent practices, discrimination and market-distorting subsidies in this regard.
- **Forced Localization.** TPA 2014 sets as an objective for USTR negotiators to “eliminate and prevent measures that require [US] producers and service providers to locate facilities, intellectual property, or other assets in a country as a market access or investment condition.” TPA 2014 specifically targets so-called “indigenous innovation” measures in this regard, but its language could also apply to other performance requirements.
- **CBDFs.** TPA 2014 sets as an objective for USTR negotiators “to ensure that governments refrain from implementing trade related measures that [...] restrict cross-border data flows.” As they are interrelated issues, TPA 2014 also targets with this language government measures to (i) impede digital trade in goods and services, and (ii) require local storage or processing of data.

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- **Labor and Environment.** TPA 2014 directs USTR negotiators to ensure that a US trade agreement partners adopt and maintain measures implementing (i) “internationally recognized core labor standards,” and (ii) their respective “obligations under common multilateral environmental agreements.” Such benchmarking to international labor and environmental obligations is consistent with such recent US free trade agreements (FTAs) as that in force between the United States and Korea (KORUS).
- **IPR.** TPA 2014 sets as an objective for USTR negotiators to prevent or eliminate government involvement in IPR violations. TPA 2014 specifically points to cyber theft and piracy in this regard.
- **Market Access.** In comparison to TPA 2002, TPA 2014 provides USTR negotiators greater direction in regard to non-tariff measures (NTMs) that often act as disguised barriers to trade, e.g., direction on (i) regulatory process transparency, (ii) conformity assessment redundancies, (iii) regulatory compatibility through harmonization, equivalence, mutual recognition and/or the recognition of international standards, and (iv) protection of undisclosed proprietary information. TPA 2014 also sets as an objective for USTR negotiators to ensure that certain agricultural provisions under trade agreements are subject to dispute settlement. In addition, TPA 2014 directs USTR negotiators to address trade agreement partners’ currency misalignment through such means as “cooperative mechanisms, enforceable rules, reporting, monitoring [and] transparency.”

Industry reaction to the introduction of TPA 2014 has been largely positive, with the US Chamber of Commerce asserting that the “bill promises to spur economic growth and job creation.” However, TPA 2014 has also received significant criticism from organized labor and typically free trade-skeptic lawmakers, e.g., Rep. Michael Michaud (D-ME) who noted that TPA 2014 “is a disappointing repeat of failed trade policy [...] that will continue the trends of growing trade deficits, a declining manufacturing sector, and the offshoring of [US] jobs.”

There is also criticism directed toward TPA 2014 on the part of several lawmakers (e.g., Reps. Rosa DeLauro (D-CT), Louise Slaughter (D-NY) and George Miller (D-CA)) who argue that TPA usurps Congress’ constitutionally-afforded authorization to regulate foreign commerce by delegating negotiating authority in the Executive Branch (i.e., in USTR). Compared to TPA 2002, TPA 2014 strengthens oversight of Congress and the public by adding consultation and reporting requirements; however, that TPA 2014 lends greater voice to Congress before, throughout and after negotiations will unlikely allay these lawmakers’ concerns in regard to the constitutionality of TPA legislation.

TPA 2014’s ease of passage in Congress largely depends on the ability of the Obama Administration to convince congressional Democrats to support the bill. House Ways and Means Committee Ranking Member Sander Levin (D-MI) could undermine such Democratic support by introducing a competing TPA bill, likely with stronger language on addressing currency misalignment. Nonetheless, congressional staffers involved with the crafting of TPA 2014 affirm that the bill reflects the values and ambition of the US FTAs in force with Korea, Colombia and Panama, which received relatively strong votes in Congress. As such, it appears likely that TPA 2014 will achieve passage, although it remains unclear whether lawmakers will approve it in the near-term or wait until TPP negotiations near conclusion to do so.

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