

**NOVEMBER 7, 2014**

THE ELEPHANT IN THE ROOM: A REPUBLICAN CONGRESS AND TRANS- ATLANTIC RELATIONS

by Anthony Silberfeld and Josh Stanton

The results of this week's Congressional vote herald big changes in Washington that will also impact Europe. The Republicans, who have spent much of the Obama presidency as obstructionists, must demonstrate an agenda and an ability to lead. President Obama, for his part, must be more willing to work with them if he hopes to achieve anything during his final two years in office. Divided government often makes strange bedfellows, but it also opens the door to new opportunities. These may include an overhaul of US policy on three key elements of trans-Atlantic collaboration: trade, the crisis in Ukraine, and nuclear negotiations with Iran.

Tide Turning on Trade

For more than a year, the US and the EU have been negotiating a Transatlantic Trade and Investment Partnership (TTIP), a free-trade agreement that seeks to increase market access, eliminate unnecessary regulatory hurdles, establish rules to govern their immense bilateral commercial relationship, and serve as the global standard for future trade agreements. The outgoing Democratic Senate leadership has expressed reservations about aspects of this item on the president's trade agenda. But early indications suggest that the incoming Republican majority may be more amenable to the White House's support of TTIP. GOP leaders may find TTIP to be an ideal vehicle for achieving economic growth and job creation without creating a stalemate out of their perennial dilemma of balancing additional stimuli with budget cuts.

But President Obama cannot take for granted Republican support. Several potential landmines lurk, and they could scuttle the effort. One is granting the president Trade Promotion Authority (TPA), through which Congress establishes its priorities in lieu of amending a deal that the president's negotiators have concluded. TPA would strengthen the American negotiating position, but distrustful Tea Partiers (and anti-trade Democrats) could stymie TPA passage, plunging TTIP into doubt.

Still, Republican leaders appear poised to adopt the White House trade agenda to achieve two

goals. Supporting TTIP would demonstrate that the GOP can lead a “do-something” Congress that helps American workers. This, in turn, would provide the party with fodder heading into the 2016 presidential election. Finding a filibuster-proof coalition of pro-trade Republicans and moderate Democrats should be achievable for the new Congressional leadership, and the White House would be well served by working closely with Senate Republicans to secure TTIP approval if it comes up for a vote.

Engagement in the East

Ukraine is among the many global hotspots that have been stern tests for the Obama administration’s foreign policy, but Republicans and Democrats essentially agree on the appropriate US response. Calls to impose sanctions on Russia had bipartisan support, while legislation to provide the new pro-Western government in Kyiv with political, technical and economic support (including \$1 billion in loan guarantees) was overwhelmingly passed in the House and Senate. Prominent representatives of both parties have also urged the president to bolster NATO’s presence in eastern Europe and reassure US allies in the region. This helped lead to President Obama’s announcement during his trip to Poland last June of a \$1 billion “European Reassurance Fund”.

The GOP has nevertheless been largely critical of the administration’s handling of the Ukraine crisis. Republicans have lambasted the president for not taking a stronger stand against the Kremlin, portraying him as a feeble leader outmaneuvered by Russian President Vladimir Putin. Senators John McCain and Bob Corker are among those who have also attacked the administration for failing to provide lethal military aid to Kyiv. McCain described as “shameful” the administration’s reluctance to do this, while Corker introduced legislation, co-sponsored by 19 other Republicans, to arm Ukrainian forces with anti-tank and anti-aircraft weaponry, among other materiel. With Republican control of the Senate and a potential chairmanship for Corker on the powerful Foreign Relations Committee, President Obama may find it difficult to continue limiting US support to non-lethal aid if the conflict intensifies.

Time’s Up for Tehran

The ongoing negotiations with Iran over its nuclear program could benefit from a sense of urgency that a Republican majority in Congress injects into the process. With an effective interim agreement in place and a looming deadline for the talks’ conclusion, the GOP may find a final accord politically perilous to reject. Iran will be a hot-button issue in the 2016 presidential race, and it would behoove the party to share in a significant foreign-policy success. Failure to achieve a settlement in the coming weeks, however, may leave the door open for a more conservative Congress to dismantle the progress that has been made.

The current Senate majority leader, Harry Reid, resisted calls from both parties to introduce new sanctions on Tehran. Incoming Leader Mitch McConnell has shown no such reluctance. Earlier this year, he authored a letter, signed by a majority of the Republican caucus, condemning Reid for failing to bring a sanctions vote to the floor and indicating a willingness to do it. The threat of additional sanctions at this delicate moment, however, could undermine the unified trans-Atlantic approach that helped bring Iran to the negotiating table in the first place.

The status of the talks will define the policy options available to Republicans when the new Congress is seated in January. With that in mind, the president is eager to reach a deal during

the short lame-duck session. Any major setback as a result of GOP hawkishness is likely to unsettle Washington's European partners.

Rough Seas

This week's election has been described as everything from a Republican wave to a tsunami. Hyperbole aside, the vote certainly ushers in a power shift on Capitol Hill that will have international consequences. As the trans-Atlantic relationship is highly susceptible to such directional changes in Washington's political winds, Europe should brace itself. The emerging political climate may presage a more globally activist US. Failing that, there is the prospect of more gridlock on the road to relative decline. Europeans need to be prepared for trans-Atlantic challenges either way.

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