

Section A

Walter Oleszek's statement in "Congressional Procedures and the Policy Process" emphasizes the profound impact legislative procedures have on policymaking. He suggests that outcomes of policy debates and the nature of the policies themselves are heavily influenced by the rules, precedents, and practices governing the legislative process. In essence, the substance of policies is often shaped by the procedural paths they take through Congress. To illustrate this point, we will explore three examples: the 2015 debate on Trade Promotion Authority (TPA), the creation of the Cox Committee, and the passage of the Hong Kong Human Rights and Democracy Act and the PROTECT Hong Kong Act.

The 2015 Debate on Trade Promotion Authority (TPA)

In 2015, the Trade Promotion Authority (TPA) was a significant point of contention in Congress, splitting leaders often along ideological lines but also fostering unconventional alliances. Republican leaders, including Senate Majority Leader Mitch McConnell and Speaker of the House Paul Ryan, supported the TPA, advocating for its potential to promote economic growth through free trade and strengthen U.S. strategic interests, particularly in the Asia-Pacific region. Democratic leaders were divided; while President Barack Obama and some pro-trade Democrats backed the TPA for its worker and environmental protections, others, like House Minority Leader Nancy Pelosi, faced a delicate balance due to pressure from labor unions and environmental groups. This led to complex negotiations, with McConnell and other Republicans aligning with the Democratic president to advance the TPA, highlighting the intricate and often cross-partisan dynamics of trade policy.

Senate Majority Leader Mitch McConnell used strategic procedural tactics to ensure the passage of TPA. By invoking a cloture motion to limit debate and prevent a filibuster, McConnell effectively controlled the legislative process, ensuring the bill was not subjected to endless debate or obstructive amendments. These maneuvers were crucial in passing the TPA, as they limited the scope for amendments and filibustering, ultimately shaping the final form of the trade policy.

The critical developments during 2015 related to the Trans-Pacific Partnership (TPP) were centered not on the TPP agreement itself, but on the Trade Promotion Authority (TPA), also known as the "fast-track" authority. McConnell adeptly initiated cloture to circumvent potential filibusters and negotiated across the aisle, promising to integrate Trade Adjustment Assistance (TAA)—essential for Democratic support—directly into the trade agreement and ensuring votes on trade preferences and customs. This strategy secured the necessary bipartisan support. Additionally, McConnell linked the TPA with the USA Freedom Act, furthering his priority of passing the TPA. After the bill was brought up on May 7th and successfully passed cloture, the Hatch Substitute became the TPA's foundation. While proponents like Hatch and Ryan emphasized the consequences of high tariffs on agricultural goods and the threat of China making rules in the absence of the U.S., opponents such as Bernie Sanders argued that the losses from trade outweighed the gains, with the wealthiest 5% typically benefiting from trade agreements at the expense of the middle and lower classes.

In the 2015 debate over the Trade Promotion Authority (TPA), congressional procedures, particularly strategic maneuvering by Senate Majority Leader Mitch McConnell, were pivotal in shaping policy outcomes. The TPA, a subject of ideological divide in Congress, witnessed McConnell employing a cloture motion to limit debate and streamline its passage, effectively mitigating prolonged discussions and obstructive amendments. This procedural tactic, along with McConnell's cross-partisan negotiations — which included integrating Trade Adjustment Assistance (TAA) for Democratic support and linking the TPA with the USA Freedom Act — was instrumental in securing bipartisan backing. McConnell's adept handling of the legislative process not only facilitated the passage of the TPA but also highlighted the significant role of procedural strategies in navigating complex political dynamics and ideological splits in Congress.

Creation of the Cox Committee and National Defense Authorization Act (NDAA)

Representative Gerald Solomon's role in the formation of the Cox Committee highlights the significant influence of congressional procedures in shaping policy within the U.S. Congress. As the chairman of the House Rules Committee, Solomon played a pivotal role in the legislative process, leveraging his position to impact the introduction and handling of bills in the House. The House Rules Committee, known for determining special orders for bill consideration and overseeing legislation, provided Solomon with a platform to utilize procedural strategies effectively. Solomon strategically used House rules, particularly the Solomon Rule, to bypass standard committee formation procedures through resolutions. He was the main sponsor of House Resolution 463, seeking to establish a select committee to address U.S. national security concerns regarding the People's Republic of China (PRC). This resolution led to the creation of the Cox Committee, chaired by Representative Christopher Cox, focusing on these security concerns. Although Solomon was not a member of the Cox Committee, his actions were crucial in its establishment. The work of the Cox Committee, closely tied to Cox's amendment to the National Defense Authorization Act (NDAA), exemplifies how procedural maneuvers in committee formation can significantly influence policy initiatives and legislative amendments. The rules governing the Cox Committee, especially those concerning the disclosure of information, were a topic of controversy, further emphasizing the complex relationship between procedural strategies and policy outcomes.

The passage of this resolution under Solomon's guidance led to the creation of the Cox Committee, chaired by Representative Christopher Cox and focused on U.S. security interests in relation to China. Though Solomon was not a member of the Cox Committee, his instrumental role in its formation underscored the importance of procedural knowledge and maneuvering in Congress. The work of the Cox Committee, particularly its ties to the amendment of the National Defense Authorization Act (NDAA), serves as a prime example of how procedural decisions in committee formation can significantly influence legislative amendments and policy initiatives. The rules governing the Cox Committee, especially those related to information disclosure, became contentious points, highlighting the complex relationship between procedural strategies and their impact on policy outcomes. Solomon's involvement in the Cox Committee's establishment exemplifies the potent role that congressional procedures play in shaping legislative policy and outcomes, demonstrating the nuanced and powerful dynamics of the legislative process in Congress.

Handling of the Hong Kong Human Rights and Democracy Act and the PROTECT Hong Kong Act

The Hong Kong Human Rights and Democracy Act and the PROTECT Hong Kong Act underwent a structured legislative process in the U.S. Congress, involving both the House of Representatives and the Senate. Initially introduced in their respective chambers, these bills were assigned to committees for detailed review and recommendations. Following committee approval, they were debated on the floor of each chamber, where tactics like unanimous consent motions in the House, possibly used for the PROTECT Hong Kong Act as indicated by Mr. Sherman's motion, expedited their passage. In the Senate, procedures such as unanimous consent agreements and cloture motions might have been utilized to manage debate time and overcome filibusters. After thorough debate and voting, any differences between the House and Senate versions were reconciled, typically in a conference committee. The final, agreed-upon versions of the bills were then passed by both chambers and sent to the President for signature or veto, marking the culmination of their legislative journey, which was likely marked by intense debate due to their international significance. The passage of these acts demonstrates the influence of procedural differences between the House and Senate. In the House, the Rules Committee played a crucial role in setting the terms for debate and amendment opportunities, directly shaping the discussion and form of the bills.

In contrast, the Senate's approach to these bills differed due to its unique procedural environment. Lacking an equivalent to the House's Rules Committee, the Senate's deliberations on bills often involve more extensive debate. To manage this and avoid filibusters, tactics such as unanimous consent agreements and cloture motions are commonly used. In this circumstances, Senator Sherman's unanimous consent agreements streamline the debate process by setting terms agreeable to all senators, while cloture motions, requiring a specific majority, are designed to conclude debates and proceed to voting. After extensive discussions and voting in both chambers, any differences between the House and Senate versions of the bills were reconciled in a conference committee, a crucial step for achieving consensus on the final legislative text. The harmonized versions of the bills were then approved by both chambers before being forwarded to the President for enactment or veto. This process, particularly for legislation with significant international implications like these acts, underscores the distinctive procedural dynamics in each chamber and their collective impact on shaping the final policy outcome, demonstrating the intricate nature of legislative procedures in the U.S. Congress.

Conclusion

These examples vividly illustrate Walter Oleszek's assertion that legislative procedures are fundamental to understanding policy formation. The intricate mechanics of legislating, and their influence on the adoption and shaping of policies, play a pivotal role in the policy process. The 2015 debate on TPA, the creation of the Cox Committee, and the passage of the Hong Kong acts demonstrate how procedural nuances and tactics can significantly influence the substance and outcome of policies. It's through these procedural details that the true essence of policymaking is revealed, highlighting the undeniable impact of legislative procedures on policy substance. This exploration confirms Oleszek's assertion and underscores the importance of a deep understanding of procedural dynamics in the realm of policy analysis and formulation.

(Word Counts: 1546)

To: Senator Chris Van Hollen (R-MD)

From: Shirui Zhou

Date: 05/18/2021

Re: Recommendation on the Vote on the Currency Exchange Rate Oversight Reform Act of 2011 (S.1619)

Background

Given the critical situation of currency manipulation by China, and its far-reaching impact on the U.S. economy and employment, there is a compelling case for corrective action. Considering your consistent stance on addressing Chinese Communist Party's exploitation, supporting civil rights, and concern over technology-driven elimination of civil liberties, it is recommended to vote 'yea' for the S.1619 amendment. This action aims not only to correct deceitful actions but also to help reverse the rising unemployment rate and promote fair trade practices.

The Currency Exchange Rate Oversight Reform Act of 2011 emerges in response to a longstanding issue: China's manipulation of its currency. Historically, China has been cited as a currency manipulator, particularly between 1992 and 1994. Despite this, under both Democratic and Republican administrations, there has been a failure to formally address China's policy of fixing its currency, the renminbi, to the dollar. This has allowed China to maintain a production edge, especially evident when they froze their exchange rate from 2008 to mid-2010 during the financial crisis. Recently, China showed signs of allowing the renminbi to appreciate, but as per the Congressional Research Service, the increase was only about 6 or 7 percent against the dollar over the last year. The Treasury Department's exchange rate report further supports this, noting that the renminbi remains substantially undervalued. This currency undervaluation, estimated to be between 12 to 50 percent, has significantly impacted U.S. trade, particularly in manufacturing sectors.

The debate over the Currency Exchange Rate Oversight Reform Act of 2011 in Congress showcased a spectrum of opinions, reflecting the complexity of international trade and economic policy. Key proponents of the bill, such as Senator Brown, highlighted its critical nature in addressing the unfair trade practices that have led to significant job losses and trade imbalances. Senator Brown, emphasizing the detrimental effect of China's currency manipulation, pointed out the staggering \$750 million trade deficit with China, underscoring the urgency for legislative action. Senator Snowe also strongly promoted the bill, citing the loss of 26,900 jobs, a 4.4 percent drop, in her state, despite increased worker productivity. These arguments were bolstered by reports from the Congressional Research Service and the Department of Commerce, which underscored the long-standing undervaluation of the Chinese renminbi and its adverse effects on U.S. manufacturing and trade.

However, the bill also faced significant opposition, with concerns centered not around a single individual but a collective from various sectors. Senator Graham, among others, raised the alarm about the bill being a step towards protectionism, potentially harming more than helping the U.S. economy. This viewpoint was shared by a cohort of senators, business groups, and international trade experts who cautioned against the potential economic instability the bill could cause, particularly in the delicate bilateral relationship with China. They argued that the bill might prompt retaliatory measures from China against U.S. exporters, escalating into a trade war with far-reaching consequences.

This perspective was echoed in the wider public discourse, with prominent publications like The New York Times and The Wall Street Journal, as well as influential organizations like the U.S. Chamber of Commerce, expressing apprehensions about the bill's approach and potential repercussions. These opposing views highlight the bill's complexity and the delicate balance required in crafting policies that address unfair trade practices while avoiding unintended negative impacts on international relations and the domestic economy.

Administration position

The Administration's stance on the Currency Exchange Rate Oversight Reform Act of 2011 is nuanced, balancing support for fair U.S. market competition with concerns about potential global repercussions. While the White House aligns with lawmakers in ensuring a level playing field against China's economic policies, particularly currency manipulation, it expresses reservations due to Beijing's warnings of a potential trade war. This cautious approach reflects the Administration's emphasis on the broader implications of such legislative actions on international relations and economic stability.

In addressing the issue of currency manipulation, the Administration acknowledges challenges in formally designating China as a currency manipulator. Nonetheless, the Department of Commerce is prepared to investigate China's currency devaluation and its impact on unfair trading practices, showcasing a commitment to protecting U.S. economic interests. Concurrently, President

Obama's focus on job creation and economic stimulation, notably through the American Jobs Act, illustrates a broader strategy to enhance the overall U.S. economy while addressing specific issues like currency manipulation within a comprehensive economic framework.

Positions of Congressional leadership

The Currency Exchange Rate Oversight Reform Act of 2011 garnered notable bipartisan support, reflecting a shared concern across party lines about the implications of currency manipulation. Key Democratic leaders like Harry Reid, Chuck Schumer, and Debbie Stabenow voiced their support ("Yah"), indicating a strong alignment within the party regarding the need for action against unfair trade practices. Similarly, prominent Republicans such as Senator Snowe, alongside Senators Jeff Sessions, Lindsey Graham, and Richard Burr, also supported the bill, showcasing a rare instance of bipartisan agreement. This cross-party support underscores the bill's significance in addressing a national economic issue that transcends political divisions. The involvement of figures from both parties, holding significant positions in the Senate, highlights the collective acknowledgment of the challenges posed by currency manipulation and the urgency to implement corrective measures.

Positions of key special interests

The business community's reaction to the Currency Exchange Rate Oversight Reform Act of 2011 was multifaceted, highlighting various concerns and operational realities. Companies like Procter & Gamble, for instance, have moved production to China, not just for manufacturing efficiencies but also to cater to the Chinese and broader East Asian markets, including Taiwan, Japan, and Malaysia. This global operational strategy underlines the complex interplay between manufacturing locations and market dynamics. However, a significant concern for businesses in this context is the issue of intellectual property theft, a problem exacerbated by currency manipulation practices. For example, Microsoft's CEO Steve Ballmer pointed out the rampant use of illegal copies of Windows on over 30 million PCs sold in China, illustrating the scale of intellectual property rights violations. This concern was echoed by prominent entities such as The New York Times, which reported on Ford Motor Company's dilemma of having to share proprietary technologies for electric vehicles to gain market access in China. Moreover, influential organizations like the U.S. Chamber of Commerce, the Business Roundtable, and the National Association of Manufacturers have also expressed apprehensions about the bill's approach and potential consequences. Their concerns are not just limited to the immediate effects of currency manipulation, but also extend to the broader implications for international business operations, trade relationships, and the protection of intellectual property rights. The varied responses from the business sector highlight the complex interdependencies and challenges faced in the global economic landscape, especially in the context of legislative changes aimed at addressing currency manipulation.

Positions of Foreign Government

The positions of foreign governments, particularly China, were pivotal in the international discourse surrounding the Currency Exchange Rate Oversight Reform Act of 2011. The Chinese government voiced strong objections to the legislation, warning that its passage could ignite a trade war between the United States and China. This perspective reflects China's concern over the potential global economic implications and the strain it could place on Sino-American trade relations. In defending its currency policies, China highlighted that since 2005, the value of its currency, the yuan, had appreciated by approximately thirty percent relative to the U.S. dollar. This statistic was presented to counter allegations of currency manipulation and to demonstrate China's efforts in adjusting its monetary practices. Furthermore, China drew parallels between its monetary policies and the Quantitative Easing measures implemented by the U.S. Federal Reserve, particularly under Chairman Ben Bernanke. They argued that such U.S. policies, including QE1 and QE2, were akin to devaluing the American dollar, a move similar in nature to the accusations leveled against China. This comparison was employed to illustrate what China deemed as a double standard in international economic policy, thereby challenging the underlying premises of the proposed U.S. legislation. The response from China underscores the complex nature of international economic relations and the delicate balance required in addressing issues of currency valuation and trade practices on a global scale.

Conclusion

Despite the complexities and varied perspectives from business groups, foreign governments, and bipartisan members of Congress, the legislation's core objective of ensuring fair trade practices aligns with the broader interests of the U.S. economy and its workforce. The concerns raised, while valid, are outweighed by the necessity to address long-standing unfair trade practices and protect American intellectual property. Therefore, it is recommended that a 'yea' vote be cast in favor of this bill, signifying a commitment to equitable international trade, economic justice, and the reinforcement of global economic standards. This vote not only supports domestic economic interests but also serves as a pivotal move in advocating for fair and balanced global economic policies.