

White House Seeks to Merge Agencies

By LAURA MECKLER

WASHINGTON—President Barack Obama proposed **consolidating six trade and commerce agencies**, drawing cautious praise from congressional Republicans and business groups, though business expressed concern that some of their favored advocates in Washington would lose clout.



Video

congressional approval, Mr. Obama would merge the Commerce Department's core business-related functions with five smaller agencies: the Small Business Administration, the Office of the U.S. Trade Representative, the Export-Import Bank, the Overseas Private Investment Corporation and the Trade and Development Agency.

Mr. Obama said the consolidation would make it easier for business to navigate the federal bureaucracy, putting several agencies whose primary goal is the promotion of U.S. business, both at home and abroad, under one roof. In this case, "six isn't better than one," Mr. Obama said at the White House.

Congressional GOP leaders said the proposal had potential.

"Eliminating duplicative programs and making the federal government more simple, streamlined and business-friendly is always an idea worth exploring," said Brendan Buck, spokesman for House Speaker John Boehner, an Ohio Republican. *News*

But others in Congress and major business groups said they had particular concerns about folding the U.S. trade representative into a larger department, on the grounds that it would lose the clout and freedom that comes with an independent agency. The USTR negotiates trade deals and eases the way for U.S. commerce overseas.

"Taking USTR, one of the most efficient agencies that is a model of how government can and should work, and making it just another corner of a new bureaucratic behemoth

would hurt American exports and hinder American job creation," House Ways and Means Chairman Dave Camp (R., Mich.) and Senate Finance Committee Chairman Max Baucus (D., Mont.) said in a joint written statement.

John Murphy, vice president for international affairs at the U.S. Chamber of Commerce, echoed that sentiment, saying the consolidation "makes sense" while questioning whether the USTR should be included in the shuffle.

In an effort to answer those concerns, the White House said the trade representative would stay a Cabinet-level post. Officials pointed to a similar arrangement whereby the U.S. ambassador to the United Nations reports to both the Secretary of State and to the president. The White House argued that the USTR will have access to more government resources and expertise by being housed with similar agencies and that the change will create a more effective agency.

The move also gives Mr. Obama room to argue he is tackling a core concern of voters—the size of the federal government—as well as focusing on jobs. It fixes a bureaucratic oddity Mr. Obama cited when he first suggested the change in his 2011 State of the Union speech. Salmon, he noted, was regulated in one agency when in salt water and another when in fresh water. The reorganization would put all federal salmon regulation into the Interior Department.

President Barack Obama said Friday that he will exercise his executive authority to elevate the head of the U.S. Small Business Administration to a cabinet-level position, Emily Maltby reports on Lunch Break. Photo: Getty Images.

Todd McCracken, president of National Small Business Association, a trade group in Washington, D.C., said some programs used by smaller companies, such as targeted lending programs, might be less responsive as part of a larger bureaucracy. "It really needs to have regular small business input and the bigger the bureaucracy, the harder that is to accomplish," he said.

Environmental groups objected to shifting the National Oceanic and Atmospheric Administration from the Commerce Department to the Interior Department, on the grounds that Interior is focused mostly on extracting natural resources. NOAA, the largest part of the Commerce Department, houses the National Weather Service among other functions. The debate about where it should go was one cause of the yearlong delay in completing the proposal.

In his 2011 State of the Union Address President Obama addressed the issue of making the government more competent and efficient by listing targets for an overhaul of federal bureaucracy pointing out that a dozen different agencies deal with exports and at least five with housing.

David Goldston, director of government affairs at the Natural Resources Defense Council, said his group would lobby against the change for fear that Interior's culture would overwhelm NOAA's.

The president requested that Congress guarantee an up-or-down vote within 90 days on any consolidation he proposes that would save money and reduce the size of government. He said he would use the authority for a series of consolidations starting with the trade agencies. The plan is based on authority in place for decades until it lapsed in 1984.

Some lawmakers and congressional aides signaled they were uncomfortable with the fast-track authority. Congress is traditionally unwilling to cede the power to shape details of important legislation.

With the overall proposal pending, Mr. Obama said he would immediately elevate the head of the Small Business Administration to a Cabinet-level post. He can do this without congressional approval.

Officials said that in the merger 1,000 to 2,000 jobs would be cut through attrition. They estimated it would save \$3 billion over a decade.