Global on deals are the best kind. The more tries that agree to open their markets, the greater the benefits to consumers. But there’s a catch: If big trade deals try to include too many countries or take on too many issues, the negotiations can collapse under the weight of thousands of pages of details. Just look at what happened to the Doha Development Agenda of the World Trade Organization. That attempt to lower trade barriers worldwide began in the Persian Gulf nation of Qatar in 2001—and sputtered to an inglorious halt in 2011 after India, Brazil, and South Africa deadlocked over the fine print with the U.S. and Western Europe.

The U.S. and eight other nations now negotiating a new free-trade agreement hope to avoid a similar fate. The Trans-Pacific Partnership is the most ambitious free-trade deal ever—and thus is at high risk of getting Doha’ed.

The goal is to make the partnership a model for 21st century trade by taking on sensitive issues such as control of data, intellectual-property protection, supply chains, and environmental and labor standards. With Europe in crisis, trade in the Asia-Pacific region is increasingly important. The U.S. Trade Representative’s office says the other countries in the talks—Australia, Brunei Darussalam, Chile, Malaysia, New Zealand, Peru, Singapore, and Vietnam—are collectively the U.S.’s third-largest export market for goods, and the fourth-largest for services.

Maintaining the momentum of the talks is critical. At the same time, negotiators don’t want to water down the agreement to speed its passage, a real danger with so many seats at the table. “We expect this will be a path-breaking accord, not a cookie-cutter agreement,” says Calman Cohen, president of the Emergency Committee for American Trade, a pro-open markets group in Washington.

To prevent getting bogged down, the U.S. and its negotiating partners have put off Canada, Mexico, and Japan—all eager to join, but whose participation could complicate the haggling. “We’re kind of sprinting toward a conclusion,” says Deputy U.S. Trade Representative Demetrios Marantis.

Perhaps not sprinting. After a meeting last November in Honolulu, President Obama announced “the broad outlines of an agreement” and said the heads of state hoped to see a treaty by the end of 2012. That’s unlikely. While progress has been steady, Marantis says, “No one wants to put a hard end date. You want to have the substance drive the timing.”

If they do pull it off, the Trans-Pacific Partnership will clear out barriers such as subsidies and other privileges some nations grant to state-owned enterprises. Another important point under negotiation is for nations to honor each other’s regulations. Currently, foreign goods entering the U.S. must meet American safety and health standards to the letter. U.S. goods must meet other countries’ rules, even if the differences between the competing sets of paperwork are minor and don’t threaten health or safety. Under the treaty, small discrepancies wouldn’t slow the flow of products.

The treaty also seeks to eliminate the hassle of getting goods and packages through customs, which differ from country to country and are a major stumbling block to trade. No surprise that FedEx is paying particularly close attention to this part of the talks. In the U.S., customs officers work around the clock inside FedEx’s hub in Memphis—a service for which the company pays a premium. Other countries could pro-
vide a fast lane through customs as well if the treaty’s signers agree. In a statement, FedEx said it “strongly supports” the negotiations.

The U.S. must give to receive, though. One big obstacle to concluding a deal is American tariffs on textiles, clothing, and footwear—predominantly low-tech, low-wage industries that have strong support in Congress. Vietnam and Malaysia won’t go along with U.S. demands that they open their markets to U.S. tech products until the U.S. gives more access to their shirts and shoes. Another significant sticking point: the U.S.’s insistence on strong protections for copyrights and patents, which are being pushed heavily by Hollywood and pharmaceutical companies.

Negotiations started in 2002 with just three nations, each with a deep commitment to free trade—Chile, New Zealand, and Singapore. Tiny Brunei, on the island of Borneo, joined in 2005. Australia, Peru, the U.S., and Vietnam came on in 2008, and Malaysia in 2010. Trade negotiations often expand like this. Countries don’t want to be left out, fearing they’ll lose business. But they also don’t want to lower barriers that protect the products they make, so talks stall.

Inviting more nations would mean more demands, and more time to satisfy them. Japan is working hard to gain admission, even though it protects its farmers more aggressively than the partnership will permit. New Zealand opposes letting in Canada, which has been reluctant to dismantle protections for producers of eggs, poultry, and milk. Mexico, which has shown a willingness to deal, could get in sooner, says Murray Hiebert of the Southeast Asia Program at the Center for Strategic and International Studies in Washington.

One country notably absent: China. The world’s second-biggest economy is far from qualifying because of its favoritism toward domestic producers. Instead, Beijing is at work on a less ambitious three-way pact with Japan and South Korea.

In trying to rush a deal, the U.S. Trade Representative’s office has angered some lawmakers, who say the negotiations have been unnecessarily secretive. Though Marantis insists “we have provided an unprecedented level
of transparency," Democratic Senator Ron Wyden of Oregon says, "The USTR's practice of over-classifying trade documents ... leaves all but a handful of members of Congress in the dark about what TTP may hold and raises questions about the legitimacy of these negotiations."

With the goal of wrapping up just seven months away, the next round of talks in San Diego in July will be especially important. "Whether we can get it done this year is increasingly doubtful," says Hiebert. "If it's a short delay, it's not a problem. But if it drags on and on, it can get into a Doha situation." To a treaty negotiator, more frightening words were never spoken. — Peter Coy

The bottom line To avoid gridlock over a major free-trade pact, the U.S. and eight other Pacific nations have told Japan, Canada, and Mexico to wait.

Entitlements

A Massive Program on The Verge of Collapse

Washington looks the other way as disability insurance funds dry up

"Nobody wants to touch things where they can be criticized"

For years, members of Congress have dithered over how to shore up the rapidly dwindling coffers of Social Security and Medicare. Yet chances are you haven't heard any dire warnings about another massive entitlement program that will soon go insolvent if Congress doesn't act. That's because lawmakers have studiously avoided talking about it—and aren't likely to this election year.

The pot of money the Social Security Administration is using to cover disability insurance is projected to run dry in 2016. That means more than 9 million out-of-work disabled Americans, plus their spouses and children, who also qualify for benefits, would see their checks shrink 21 percent. (Incoming payroll taxes will cover 79 percent of the benefit.) President Obama didn't address the looming shortfall in his 2012 budget. Nor did House Budget Committee Chairman Paul Ryan (R-Wis.). That both parties are ignoring the issue aggravates Momentum checks actually are entitled to them aren't getting done; the Social Security Administration says it doesn't have the funds to clear a backlog of 1.4 million reviews.

Last year the program cost taxpayers $132 billion—more than the annual budgets of the Departments of Agriculture, Homeland Security, Commerce, Labor, the Interior, and Justice combined. "It's really striking how rapidly this is growing, how big it's become, and how D.C. is just afraid of it," says Mark Duggan, a University of Pennsylvania economist and adviser to the program. Critics including Coburn say it wouldn't be hard to find savings by demanding more aggressive screening of applicants and more incentives for them to rejoin the workforce—if Congress only tried. Democratic Senator Max Baucus (Mont.), who chairs the committee that sets Social Security policy, says lawmakers are too busy with the expiration of the Bush tax cuts, the automatic reductions in defense spending, and overhauling the tax code to take up broad changes to disability insurance. Says Baucus: "One thing at a time." — Brian Faler

The bottom line The number of Americans on disability has jumped 23 percent since 2001! They face 21 percent cuts to their benefits in 2016.

Campaigns

Friends Don't Let Friends Vote for That Guy

A social media site allows users to search contacts' voting records

"The vast majority of Americans just aren't all that open"

In 2009, David Binetti, a Web entrepreneur who helped build the federal government's Web portal USA.gov, began collecting the voter registration records of 200 million Americans. The data—from several hundred state, county, and city registrars—made for an unholy collection of obsolete file formats, from floppy disks to an 18-inch roll of
magnetic tape made for a 1951 UNIVAC mainframe. Binetti and his staff spent two years loading all of it into a searchable, sortable database that’s 1,000 gigabytes large. That was the first massive step in building Votizen, a website with the not-so-modest goal of “a new political currency based on voter-to-voter connections.”

Launched last September, the website lets users see which of their contacts from Facebook, Twitter, and LinkedIn are registered to vote, where, and with which party, as well as when they’ve voted in the past. So a Mitt Romney supporter who discovers that his old high school pals are now registered in a swing state could send them a plug for the candidate with the hope that like-minded contacts will do the same with their friends. And so on and so forth until Election Day, when every Votizen presumably goes to the polls, creating, as Binetti describes it, “a world where the size of your network matters a lot more than the size of your checkbook.”

It’s not the first tech venture to try leveraging the Web for grassroots organizing. “Unfortunately, there’s a 10-, 15-year history of Internet startups with mission statements about public service, and when it comes down to a year or two after burning through their venture capital, what they really have of value are the Aeron chairs they bought and the database,” says Philip N. Howard, who wrote *New Media Campaigns and the Managed Citizen.*

Like plenty of tech startups before it, Votizen hasn’t brought in a cent during its first months online. The site started with $2.25 million in funding from Napster co-founder and former Facebook President Sean Parker, the prolific angel investor Ron Conway, and others in Silicon Valley. But Binetti wants to begin selling access to Votizen users this year. The plan is to charge campaigns and interest groups for introductions to supporters with friends in the right places—people Votizen knows have lots of connections to voters where a candidate needs them most.

Campaigns already recruit supporters and volunteers through social networks. For candidates to justify another micro-targeting expense, Votizen will have to recruit a critical mass of the most well-connected voters. So far, it claims 40,000 users who have tried to nudge at least some of their 1.3 million voting friends. Binetti says he hasn’t settled on the fees he plans to charge for access to them. The site’s survival will come down to “how much does it cost them to recruit the supporter and how much can they mark that up when they sell the supporter to the candidate,” says John Aristotle Phillips, co-founder of Aristotle, a political data mining shop that works for Republicans and Democrats.

Shaun Dakin, founder of the National Political Do Not Contact Registry, says it’ll be tough to woo influential voters from beyond the small slice of Americans who plaster their cars with bumper stickers. “You’re talking about some of the most private actions in a democracy,” says Dakin. “The vast majority of

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**Budgets**

**An Empty Chair Would’ve Spent As Much**

The GOP blames President Obama for the $4 trillion rise in the nation’s debt to $15 trillion. Yet the numbers show yearly deficits would have exploded no matter who occupied the White House during the slow recovery from 2009 to 2011.

—Bob Drummond
Americans just aren't all that open. Yet those reluctant to share are the ones campaigns need the most, says Ken Strasma, whose consultancy Strategic Telemetry did micro-targeting for President Obama’s 2008 campaign. “People are in the habit of tuning out messages from their political friends,” he says. Binetti is betting Votizen will attract more than political junkies. “There’s just a whole bunch of influence and American’s just aren’t all that campaign,” he says. Ken Strasma, whose consultancy targeting for President Obama’s 2008 campaign. “People are in the habit of tuning out messages from their political friends,” he says. Binetti is betting Votizen will attract more than political junkies. “There’s just a whole bunch of influence and American’s just aren’t all that campaign,” he says. Ken Strasma, whose consultancy targeting for President Obama’s 2008 campaign. “People are in the habit of tuning out messages from their political friends,” he says. Binetti is betting Votizen will attract more than political junkies. “There’s just a whole bunch of influence and American’s just aren’t all that campaign,” he says. Ken Strasma, whose consultancy targeting for President Obama’s 2008 campaign. “People are in the habit of tuning out messages from their political friends,” he says. Binetti is betting Votizen will attract more than political junkies. “There’s just a whole bunch of influence and American’s just aren’t all that campaign,” he says. Ken Strasma, whose consultancy targeting for President Obama’s 2008 campaign. “People are in the habit of tuning out messages from their political friends,” he says. Binetti is betting Votizen will attract more than political junkies. “There’s just a whole bunch of influence and American’s just aren’t all that campaign,” he says.