

# US policy update: the Biden bounce and the UK-US FTA

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This US election cycle, GC team members in the Washington, DC and London offices are holding a series of conversations on the elections and wider US policy issues, and how each might impact investors and companies on both sides of the Atlantic. Below is a brief extract from the third conversation in the series, which begins by looking at Super Tuesday and what the results could mean for November, before moving on to the outlook for the UK-US FTA - with the UK government having announced its negotiating objectives on Monday. The speakers are [Erin Caddell](#) (Director, GC US), [Joe Palombo](#) (Practice Lead, Global Investor Services) and [Daniel Capparelli](#) (Practice Lead, Trade). To access the full recording, email [m.milne@global-counsel.co.uk](mailto:m.milne@global-counsel.co.uk)

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## US Democratic primaries

**JP:** Given that last week we talked about Sanders's platform, what's your early take on what a potential Biden presidency might look like?

**EC:** One important point is that there are many common elements between these two candidates. Despite Sanders being pegged as a liberal and Biden as the 'moderate', many of Biden's positions are pretty liberal.

He supports significant investment in green energy. Literally every Democratic candidate has a variation of a Green New Deal as part of their platform. Biden is no exception. He does support more accommodative immigration policy, gun control, a wealth tax etc. The differences between them are more a difference of degree and approach rather than outright policies. In immigration for instance, Sanders supports an immediate end to deportations, Biden does not. Sanders supports Medicare for all, Biden does not - he prefers expanding the Affordable Care Act he helped engineer under Obama.

Another key difference - one of omission on Biden's side - is in financial reform. His position papers and comments on the stump don't talk about Wall Street reform. He doesn't talk about loosening the rules for financial services firms, but he certainly doesn't talk about tightening them. Biden is quite a bit different to Bernie on this. Biden represented Delaware in the Senate for many years, raised a lot of money from financial services firms, is comfortable with Wall Street people. That'll be a difference which could be a key factor in the coming months in attracting Wall Street money to Biden.

But the point is that there are still a lot of similarities between these two candidates. We're talking about different gradations of liberal as opposed to a classic moderate Democrat versus liberal Democrat. Both are fairly to the left.

What people are betting on today, and bet on last night, is that this will be more about character than policy if Biden wins. More about restoring some level of civility and decency to respond to the Trump era. And standing back up some of the agencies that have been devastated over the past three years. They are betting that these would be the key areas of focus for Biden, rather than the major changes which Sanders is focused on.

### UK FTA negotiating position

**JP:** As the UK has recently published negotiating objectives for the US FTA - and given this could be a running current in the US nomination process and elections - can you give us a feel for what we might expect out of the UK-US FTA negotiations, and what we can see in the UK document?

**DC:** The document sets out a fuzzy outline of what the UK's ambitions for an FTA actually are. This is because its drafted mostly to support a political narrative in the UK by the government, to try and sell the benefits of a deal to an increasingly sceptical domestic constituency.

It puts a lot of emphasis on the objective of levelling the UK out, outlining the potential benefits for the internal regions of the UK. For instance, highlighting the potential impact of liberalising tariffs in ceramics and automotives. These are important for the government politically, because they concern industries that are concentrated in areas where the government made gains in the last election and where scepticism about a UK-US FTA is greatest.

There's also a clear desire to draw a line in the sand on some totemic issues. Here we can start seeing the evolution of what the dynamics might be in the negotiations - a UK government that will be very defensive on some of the areas where the US is likely to be most aggressive. I'm talking about healthcare, specifically some aspects of improving protection of IP in pharmaceuticals. But also, an opposition to any significant changes in how the UK regulates health and safety standards in the food industry - captured in the emblematic debate around chlorinated chicken.

So, this is a document that is quite ambiguous in the areas where the UK might have an offensive interest, but quite explicit where the government might find it politically challenging to make concessions.

*If you would like to be added to our invite list for the bi-weekly call, please email Matilda at [m.milne@global-counsel.co.uk](mailto:m.milne@global-counsel.co.uk)*