



Timing of Trump's Mexico trade deal gives Democrats an advantage

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The fate of President Trump's tentative trade deal with Mexico could rest in the hands of congressional Democrats.

Because of statutory requirements under Trade Promotion Authority (TPA), Congress likely won't be able to ratify the bilateral agreement until 2019, when Republicans could be in the minority following the November midterm elections.

Even if Republicans hang on to their majority in the Senate, they will still need the help of Democrats to push through the trade agreement.

U.S. Trade Representative Robert Lighthizer said the administration plans to notify Congress on Friday that an updated deal is complete. That would start the 90-day clock in which the new pact would need to be signed by participating nations, meaning it could extend into late November, after the Nov. 6 midterms.

From there, congressional approval would be required before implementation.

A GOP leadership aide said the timing of ratification vote is still up in the air.

"We are a few months away from any floor consideration of a trade deal," the aide said. "There are lots of clocks that have to run before we get an implementing bill to sign."

Inu Manak, a visiting scholar at the right-leaning Cato Institute, said that Congress will not have a chance to vote on the agreement until next year because of the timing requirements under TPA.

"What happens next is anyone's guess," she said.

For now, most Democrats are reserving judgment until they see the final trade deal, though they have criticized the president for declaring an early victory over the issue, while others have expressed skepticism over the preliminary agreement to revamp the 24-year-old North American Free Trade Agreement (NAFTA).

"Unfortunately, Members of Congress have not seen the reported agreement, despite statutory requirements for full consultation," said Rep. Sander Levin (D-Mich.), a senior member of the House Ways and Means Committee, which has jurisdiction over trade matters.

Rep. Marcy Kaptur (D-Ohio) echoed those sentiments.

“The details and the fine print matter more than a hasty self-proclaimed victory,” Kaptur said. “As someone who fought with all I had to prevent NAFTA’s passage and the trauma it wrought on American workers, I know the devil is in the details.”

Meanwhile, both Democrats and Republicans have cautioned that any final deal needs to include Canada, a development that’s still uncertain at this point.

“While the details of a preliminary agreement haven’t yet been released and I reserve final judgment until there is a final agreement that includes Canada, I am encouraged by the progress announced today,” said Sen. Chuck Grassley (R-Iowa) in a Monday statement. “The sooner we get a new agreement in place, the sooner farmers and businesspeople across the country can focus on exporting American products to Canada and Mexico without concern of tariffs.”

Rep. Bill Pascrell (N.J.), top Democrat on the House Ways and Means subcommittee on trade, said: “NAFTA is a trilateral agreement that includes Canada. So today’s ballyhooed announcement notwithstanding, I view this as a progress report with negotiation still continuing between our three nations.”

Canadian Foreign Minister Chrystia Freeland is expected to travel to Washington, D.C., on Tuesday to continue trade negotiations, and her trip bolsters the odds that the three nations can complete a new NAFTA at the end of the week.

Freeland has been outspoken in recent days that Canada wants to complete a three-nation deal, despite rhetoric from Trump that the U.S. and Mexico might move on without America’s biggest trading partner.

“We’ll see if Canada can be part of deal,” Trump said on Monday, adding that the country needs to negotiate “fairly” if it wants to become part of the three-nation deal.

Lighthizer also kept open the possibility of proceeding without America’s biggest trading partner.

“We look forward to having this either be joined by Canada or not, but go through to a very successful conclusion in the Congress, hopefully with overwhelming Republican and Democratic support,” Lighthizer told reporters on a press call.

Canadian negotiators, who have not participated in NAFTA talks since July, still need to sign off to complete a NAFTA overhaul involving all three countries.

If Canada is excluded from the final deal, it would mark a major shift in U.S. trade policy, which has been guided by NAFTA for the past quarter century.

Congress would need to approve the breakup of the three-nation agreement, a controversial move that members from both parties would likely oppose.

Sen. Ben Sasse (R-Neb.), a frequent critic of Trump's trade agenda, said that as he works through the early details of the deal, there is “reason to worry that this might be a step backward from NAFTA for American families, especially on fundamental issues of presumed expiration of the deal, and empowering government bureaucrats rather than markets to determine the components in cars and other goods.”

Trump, however, has been able to find common ground with some congressional Democrats, particularly with lawmakers in the manufacturing Midwest.

Sen. Sherrod Brown (Ohio), a populist Democrat who is up for reelection this year in a state Trump won by 8 points, called Monday's announcement an "important step forward," while emphasizing that Canada still needs to sign off on the deal.

"We still need to review the text of the tentative agreement with Mexico, but this is an important step forward," Brown said in a statement. "We still have a lot of work to do to bring Canada on board and write the legislation needed to make any deal a reality."

Under the tentative deal, 75 percent of auto content would be required to be made in U.S. and Mexico, up from 62.5 percent. The agreement also would require that 40-45 percent of auto content be made by workers earning at least \$16 per hour.

"This is a positive step, and now we need to ensure the final agreement brings Canada in to the fold and has bipartisan support," said Sen. John Cornyn (R-Texas), the Senate majority whip. "A trilateral agreement is the best path forward, and any modernized agreement should do no harm to states like Texas whose economy has seen the benefits of cross-border commerce."

The tentative U.S.-Mexico deal comes as part of the administration's effort to overhaul NAFTA, which Trump repeatedly criticized on the campaign trail, calling it the "worst deal ever" made by the United States.

But in order to win over Democrats like Levin, the administration will need to make significant strides in areas such as labor provisions affecting both American workers and those in Mexico.

"After today's announcement that the U.S. and Mexico have come to an agreement on a revised NAFTA, it remains highly unclear whether there will be assured, substantial change in the status quo on this key issue," said Levin, who is in Mexico this week to discuss labor rights with workers, businesses and government officials.

A senior administration official told reporters on Monday that the updated NAFTA should attract Democratic votes because of "forward-leaning" labor provisions.