

A US-Mexico deal? Not without Congress

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(L-R) Mexico's Secretary of Economy Ildefonso Guajardo Villarreal, Canada's Minister of Foreign Affairs Chrystia Freeland, and United States Trade Representative Robert E. Lighthizer gather for a trilateral meeting at Global Affairs on the final day of the third round of the NAFTA renegotiations in Ottawa, Ontario, September 27, 2017.

Exactly a year ago, officials from Mexico and Canada descended on Washington to begin renegotiating the 25-year-old North American Free Trade Agreement.

The White House is ebullient about reaching a potential deal as soon as this week — with just Mexico. But that strategy could run into roadblocks thanks to the law that allowed President [Donald Trump](#)'s administration to fast-track talks on the 25-year-old deal in the first place, according to trade experts and four congressional aides.

"The whole process needs to be started with a notification to Congress," says Bruce Hirsh, former trade official in the Bill Clinton, George W. Bush and Barack Obama administrations and founder and principal of Tailwind Global Strategies. "That's a long process and hasn't even been initiated for bilateral talks."

But it had been initiated for a trilateral deal, and talks have been carefully choreographed to comply with that law, known as Trade Promotion Authority. In May 2017, the newly installed U.S. trade representative, Robert Lighthizer, told lawmakers the Trump administration would "initiate negotiations with Canada and

Mexico regarding modernization of the North American Free Trade Agreement (NAFTA)." The [letter stating the administration's goals](#) references the three-party deal eight times, which congressional aides say binds the administration to that outcome.

When it became clear in March that there would not be a quick conclusion to talks, Trump [requested Congress extend his ability](#) to renegotiate NAFTA under the faster track. But since then, he's repeatedly referenced his desire to do a bilateral deal with Mexico, a sentiment echoed by his top economic advisors [Larry Kudlow](#) and [Kevin Hassett](#) and on display with the frequent visits by Mexican delegations to Lighthizer's office.

"We have had very good sessions with Mexico and with the new president of Mexico, who won overwhelmingly," Trump said at a July 18 Cabinet meeting. "And we're doing really well on our trade agreement. So we'll see what happens. We may do it separately with Mexico, and we'll negotiate with Canada at a later time. But we're having very good discussions with Mexico."

[Press secretary Sarah Huckabee Sanders](#) said later that day that the White House was keeping "both tracks" open.

The problem: The White House would need to ask Congress separately to approve a bilateral track, and once an agreement is reached, it would need to notify Congress again of its intention to send the deal to Capitol Hill for a vote. That process would take, at a minimum, 180 days.

For that reason, lawmakers and U.S. officials point to an eventual strategy of working Canada into the agreement reached with Mexico.

"Even if some elements of agreement are negotiated bilaterally, my expectation is ultimately a trilateral agreement that meets the high standards of Trade Promotion Authority and gains the support of Congress," said Senate Finance chair [Orrin Hatch](#) earlier this month.

Hassett signaled that may be the case.

"I think that what's going to happen after we close the Mexico deal is that Canada is going to look at it and see stuff they like and stuff they want to modify," Hassett told CNBC's ["Squawk Box."](#) "It's going to make it easier to make a deal with Canada because we have a deal with Mexico."

What it would mean to "close" the Mexico deal, though, is anybody's guess.

WATCH: Mexico trade talks resume today

Correction: This story was updated to reflect Bruce Hirsh's correct title at Tailwind Global Strategies.