Pelosi: No vote on new NAFTA until Mexico changes labor laws

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Speaker Nancy Pelosi's comments are her clearest indication yet the deal will not face a quick vote in Congress, despite the Trump administration's desire to get it passed by summer. | Rodney Lamkey Jr. for POLITICO

Speaker Nancy Pelosi indicated on Tuesday the House will not consider President Donald Trump's new North American trade pact until after Mexico has passed and implemented its major labor law reforms.

In an interview with POLITICO Playbook, the California Democrat explained that Mexico must pass labor law reforms required under the replacement deal for NAFTA — and she wants to see the implementation before the House considers backing the new deal, a top Trump administration legislative priority.

"Unless you do this, we can't even consider it. ... We have to see that [Mexico passes] the legislation, that they have the factors in place that will make sure it's implemented and they demonstrate some commitments in sincerity, because it's a big issue how workers are treated in Mexico," she said.

Pelosi's comments are her clearest indication yet the deal will not face a quick vote in Congress, despite the Trump administration's desire to <u>get it passed</u> by summer. In recent months, the administration has been increasing its efforts to get the U.S.-

Mexico-Canada Agreement passed before the 2020 election campaigns go into full swing.

Some House Democrats have already expressed a desire to reopen the agreement to make changes tied to the enforcement of its labor and environmental standards. Democrats also have expressed concern about provisions they say could lock in high prescription drug prices.

Pelosi indicated that she agrees changes must be made to the text of USMCA to ensure it is enforceable.

"We're saying that enforcement has to be in the treaty, not in the implementing legislation," she said. Implementing legislation, the bill that Congress passes to enact a trade deal, "only bears on how we act. It doesn't have to bear on how all three countries act," she explained.

Pelosi began to say that she is optimistic before saying, "it'll take some time."

"We have to see the evidence of what's happening, not only that they pass the bill [in Mexico], but that they implement the policy," she said.

The administration of Mexico's new populist leader, President Andrés Manuel López Obrador, has indicated it plans to pass the necessary legislation before its Congress goes on recess at the end of April. Still, some lawmakers and U.S. labor leaders are concerned that Mexico will pass a labor law that falls short of its commitments in the new deal.

Lawmakers on both sides of the aisle have been calling for the Trump administration to lift its continued tariffs on imported steel and aluminum from Mexico and Canada. Canadian officials have indicated that the tariffs could complicate ratification of USMCA.

Senate Finance Chairman Chuck Grassley emphasized Tuesday that there's a small window to get the agreement passed ahead of the Canadian elections in October and 2020 elections in the U.S. — a view that conflicts with Pelosi's position against rushing a vote on USMCA.

USMCA is "a real victory for him. It's a real campaign promise kept," Grassley said during a call with reporters. "It's just time until the president wakes up. I don't know why it's taken him so long to realize he's got a victory at hand. Just take these tariffs off."

Ryan McCrimmon contributed to this article.

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