Trump's NAFTA face-lift hits bipartisan roadblock in Congress

<u>Jacob Pramuk</u> CNBC, Fri, 29 March 2019



President <u>Donald Trump</u> has a signature achievement within his grasp. All he needs to do is weave through a skeptical Congress — a task that has proven difficult for his administration in the past.

The president reached an agreement with Mexico and Canada last year to replace the 1994 North American Free Trade Agreement, which the president has long slammed as a "disaster" that saps American jobs. Republicans and the U.S. neighbors want Congress to ratify the deal by this summer.

Getting the pact, which Trump has called the United States-Mexico-Canada Agreement, approved would give Trump another policy to tout as he hits the 2020 re-election campaign trail. After the conclusion of special counsel Robert Mueller's Russia investigation, Trump <u>set out to follow through on reworking relationships with</u> <u>several countries</u> that the president has accused of trade abuses. The next few months are pivotal for Trump as he tries to ratify the North American pact and reach a new deal with China, the world's second-largest economy.

But approval of the USMCA, which Democrats have dubbed NAFTA 2.0 in part to signal that Trump made few changes, is not certain. Not only the majority House Democrats but also a key Senate Republican have expressed concerns about the deal.

Here are the latest developments on Capitol Hill as Trump pushes for the agreement's swift ratification:

• Republicans emerged from a trade meeting with the president on Tuesday saying they want to get the pact signed this summer.

Rep. Kevin Brady, ranking member on the House Ways and Means Committee, said U.S. Trade Representative Robert Lighthizer is ready to send legislation to lawmakers when House Speaker Nancy Pelosi "gives the green light." He called getting the deal to Trump's desk this summer "crucial."

- Pelosi controls whether the trade deal gets to the House floor. Democrats are
 in no hurry to move it through the chamber. They have several reservations
 about the agreement, including its environmental and labor protections, its
 provisions for enforcing rules and its potential to increase prices on some
 drugs. A Pelosi spokesman did not immediately respond to a request to
 comment on where she stands now on ratifying the USMCA.
- Earlier this week, House Ways and Means trade subcommittee Chair Rep. Earl Blumenauer, D-Ore., told CNBC that Democrats are "not going to be bound" by "artificial deadlines" to ratify the agreement. The Ways and Means Committee will have to approve the deal before it goes to the House floor. On Tuesday, the trade subcommittee held a hearing on enforcing labor rules in trade deals, part of a series of events it expects to hold to assess the NAFTA changes.
- The steel and aluminum tariffs Trump slapped on Canada and Mexico last year could also trip up ratification. After meeting with Lighthizer on Monday, Canadian Minister of Foreign Affairs Chrystia Freeland said her country wanted the U.S. to scrap the duties. The Trump administration cited a national security threat from foreign metals imports when it levied the tariffs.

"In order to move ahead with that deal, I think Canadians feel that the right thing is there should be no 232 tariffs or retaliatory measures between our countries. And that was what I expressed clearly to Ambassador Lighthizer," Freeland told reporters. The "232" Freeland references is the authority the president has to impose tariffs for national security reasons.

- Senate Finance Committee Chairman Sen. Chuck Grassley, R-Iowa, also told reporters this week that tariffs on Mexico and Canada should come off as part of the approval process. Trump has not signaled willingness to remove the duties.
- Republicans have <u>started a grassroots blitz</u> to sell the deal to skeptical lawmakers and voters.
- CNBC's Kayla Tausche contributed to this report

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