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**USMCA trade deal awaits OK from Congress**

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US business groups support passage of a new trade agreement with Mexico and Canada, but some fear the deal could get lost in the fallout from the continuing US-China trade dispute and 2020 US presidential politics.

American farmers, drug companies and large businesses want the US-Mexico-Canada (USMCA) trade agreement to be ratified, but Democrats remain wary.

Drawing support from labor groups, they want further discussions with US Trade Representative Robert Lighthizer on ways to strengthen the agreement to assure new labor rules can be enforced in Mexico.

Democrats supported the North American Free Trade Agreement (NAFTA) in 1993, but some had second thoughts, as many US workers lost their jobs to cheaper labor in Mexico and overseas.

"If you can't enforce the language in any treaty, you can't protect American workers," House Speaker Nancy Pelosi, Democrat from California, told reporters last week.

Congressman Jim Banks, a Republican from Indiana, said provisions to improve working conditions in Mexico are already part of USMCA. "Democrats are grasping at straws," he told reporters last week.

US President Donald Trump is seeking approval of the deal to show progress on trade.

Pelosi must balance concerns about the deal with the political future of new members of Congress who helped Democrats regain the majority in the House of Representatives by winning races in districts last year that supported Trump in 2016, analysts said.

"In my opinion, the chances of USMCA being approved are fair," Usha Haley, professor and Barton Distinguished Chair in International Business at Wichita State University, told China Daily.

"The Democratic House of Representatives is reviewing a revised agreement that hopefully addresses its concerns on enforcement of labor and environmental issues, and on pharmaceuticals. Nancy Pelosi has repeatedly stated the House plans to approve (it) once the revisions allay these concerns. Mexico has approved the revisions. Canada's approval appears more prone to deadline pressure than the USA's. Canada will hold national elections October 21."

Gary Hufbauer, a senior fellow at the Peterson Institute in Washington, said the fate of the treaty that would replace the NAFTA largely depends on the views of former vice-president Joe Biden, Senator Elizabeth Warren of Massachusetts and Senator Bernie Sanders of Vermont, the top three contenders for the Democratic Party's presidential nomination.

"If two of the three come out against it, Pelosi will not allow a vote," he told China Daily. "For sure, USMCSA is out of the headlines thanks to the trade war with China. This probably improves its chances of passage. If the vote gets postponed until 2020, then I think the chances of passage drop substantially. Failure of USMCA won't make much of a difference to North American trade, provided Trump doesn't blow up NAFTA."

Farmers rallied last week in Washington to show support for the USMCA. Dairy workers said the deal likely would boost American exports to Canada by about \$250 million, or one-third higher than current levels.

Major pharmaceutical companies like the deal because it gives biologic drugs 10 years of exclusivity from companies seeking to market similar products. US trade with Canada is second only to trade with China. Mexico is the third-largest US trading partner.

"Our domestic and global competitiveness is dependent on the ability to move vehicles and parts across borders duty free," Shane Karr, director of external affairs at the North American unit of Fiat Chrysler Automobiles, told The Wall Street Journal.

The US Chamber of Commerce backs the USMCA, and its regional affiliates have held 93 meetings with lawmakers during Congress's summer recess, including 40 Democrats.

"The flow of commerce across the (North American) continent supports 12 million American jobs," the US Chamber of Commerce said in a statement.

"The two countries accounted for 40 percent of all US export growth over the past decade. USMCA will lock in free trade across North America for virtually all goods. Canada and Mexico purchase more made-in-America manufactured goods than our next largest export markets combined."

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Author	All Authors
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Region	All Regions
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