

The Dallas Morning News

SENATE APPROVES USMCA, AS TEXAS SENS. CORNYN AND CRUZ BACK TRUMP'S REVAMPED NORTH AMERICAN TRADE DEAL

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The Dallas Morning News

January 16, 2020

WASHINGTON – The Senate on Thursday overwhelmingly approved the U.S.-Mexico-Canada Agreement, ensuring that Texas' trade-heavy economy can count on robust cross-border commerce in North America for years to come.

The bipartisan 89-10 vote sets the stage for President Donald Trump to soon fulfill a major campaign promise by signing into law a revamp of the North American Free Trade Agreement.

Texas Sens. John Cornyn and Ted Cruz, both Republicans, backed the tri-nation accord, albeit with some reservations. Their support secured a unified Texas front in favor of the pact after every Texan in the House likewise voted for the deal last month when that chamber approved it.

"No state in the union has more invested in trade with Mexico and Canada than does the great state of Texas," Cruz said ahead of the vote. "Many of the provisions of the USMCA seek to promote trade and investments, which would benefit Texas businesses, farmers and ranchers."

The result allows many Texas business and political leaders to exhale after three years of uncertainty over whether the vital economic bonds between the three countries would persist.

Texas conducts more than \$250 billion in trade each year with Mexico and Canada, providing economic lifeblood for a multitude of industries. Hundreds of thousands of jobs in the Lone Star State depend upon that trade, per the U.S. Chamber of Commerce.

But Trump has long castigated NAFTA as the "worst trade deal ever." He threatened at various times to withdraw from the 25-year-old accord, to close the U.S.-Mexico border or to impose tariffs on all Mexican goods coming to the U.S. — moves that would've devastated Texas' economy.

Instead, the president has given his blessing to a pact that mostly safeguards and updates NAFTA.

"Employers in Texas and across the United States will be out from under the veil of uncertainty that NAFTA renegotiations created and will once again be able to confidently pursue new opportunities," said [Justin Yancy, president of the Texas Business Leadership Council](#), a coalition of business executives.

That's not to say the U.S.-Mexico-Canada Agreement is without critics, particularly since most experts predict it will have a limited impact on economic growth.

Some conservatives have complained that Trump acceded to too many Democratic demands over issues like labor rights and the environment. Some Democrats, including Senate Minority Leader Chuck Schumer, said Trump didn't go far enough. Cruz even called one provision related to the tech industry a "serious mistake."

But Trump managed to forge a broad coalition, finding that his 'America First' approach on trade was persuasive enough for the GOP to set aside some long-held tenets on cross-border commerce and appealing enough for Democrats to overcome their vocal opposition to the president.

That success came even amid the most polarizing of moments, as the Senate begins a contentious impeachment trial over Trump's dealings in Ukraine.

"It's one of the biggest trade bills ever made," Trump said in the Oval Office, noting that the agreement passed by a "very comfortable margin. "Our farmers and manufacturers and bankers and everybody – it's jobs, it's jobs like we've never seen before."

Trump is expected to sign the trade deal into law next week, days after scoring another economic victory by signing a trade truce with China that will see that country pledge to buy more American products in exchange for the U.S. forgoing some tariffs on Chinese goods.

Mexico's legislature has already approved the NAFTA reboot. So only the Parliament in Canada needs to take action for the U.S.-Mexico-Canada Agreement to take hold, and most observers predict that it should do so without much fuss.

Whenever the trade deal becomes official, the president will have crossed a major policy item off his agenda.

The pact broadly seeks to bring back jobs to the U.S., particularly in the manufacturing sector. It generally preserves duty-free trade in North America, which is pivotal for agriculture and other industries. It takes the long-overdue step of accounting for advancements like e-commerce.

"USMCA protects our important trade relationships with our nearest neighbors and returns certainty to our markets," Texas Farm Bureau President Russell Boening said. "Texas farmers and ranchers look forward to providing products to these valued customers for years to come."

When NAFTA passed in 1993, nearly 20% of the Texans

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in Congress opposed the accord. All six no votes were Democrats, part of a sizable coalition concerned that the trade agreement would cause jobs and industries in Texas and beyond to flee across the border.

Some of those fears were indeed realized. But Texas' economy also adjusted over time to become an essential fulcrum of trade in North America and beyond, allowing the Lone Star State to now conduct more international trade than any other state in the U.S.

This time around, all 36 House members from the state last month voted for the accord, which sailed through that Democratic-run chamber with a 385-41 vote. Cornyn and Cruz both signaled their backing for the accord in committee votes ahead of the full Senate's consideration.

The united front both speaks to and belies the pact's unusual politics.

Democrats, in some cases, were more enthusiastic about the trade deal than Republicans, though a handful of progressives voted no due to concerns over climate change and other issues. That's because Trump's protectionist bent, in several instances, jibes more with longstanding Democratic trade priorities.

"Is it better than NAFTA? You bet it is," said Delaware Sen. Tom Carper, the top Democrat on the Senate Environment and Public Works Committee.

One major provision, for example, demands that a higher percentage of a vehicle be built in North America for it to qualify for duty-free standing.

The proposal aims is to boost wages for American workers and encourage more manufacturing in the U.S. But it also adds additional compliance barriers -- contrary to GOP norms -- causing many economists to predict that the end result will be a higher sticker price in the U.S. for new cars.

House Speaker Nancy Pelosi last month also secured additional concessions from Trump over the pharmaceutical industry, labor rights and the environment.

Those changes were enough to win over the likes of the AFL-CIO's Richard Trumka, whose influential labor union backed a free trade deal for the first time in decades. But they also caused some Republicans to fume that the accord actually restricts trade, though few conservatives ended up bucking the president.

Cornyn, for instance, said the deal was a "good agreement" but "not a perfect agreement."

"The administration negotiated with the House and ... made a number of concessions to the union folks like Mr. Trumka and others, forcing Mexican businesses to raise their wages to be more on parity with U.S. wages," he said. "Some of that was a little bit of overreach."

Cruz, meanwhile, had stayed mostly mum for weeks about the deal, saying he needed to review the details. His silence became potentially noteworthy, particularly since he had voiced complaints over how the deal included major legal protections for tech companies like Google.

In the end, Cruz made clear his support for the trade deal. But he also reiterated his concern over what he described as a "gift to Big Tech."

He and other lawmakers, including Pelosi, pushed to remove a provision -- long championed by Facebook and other tech companies as a fundamental pillar of the internet -- that provides sweeping immunity to online firms from harm caused by their user's content.

Critics of the legal shield have worried that the protections are overly broad, particularly when it comes to serious criminal activity.

"This liability protection has allowed Big Tech to act with impunity, to engage in censorship of Americans whose political opinions they don't like and not to face liability for their conduct," Cruz said, calling it a "serious mistake to include this gratuitous provision."

The fear now is that Congress will have a harder time making changes to the provision if it's enshrined in USMCA. But Cruz said he received assurances from the Trump administration that the trade deal was merely intended to reflect an "understanding of current law."

"The good news is current law can change," he said.