

September 23, 2010

The President The White House Washington, D.C. 20500

Dear Mr. President:

The Alliance to Keep U.S. Jobs is a broad-based coalition of over 140 national and state agriculture, business and manufacturing organizations, and companies that represents U.S. workers from all 50 states. We believe the time has come to resolve the trucking dispute with Mexico. Producers of goods that have been hit by Mexico's retaliatory tariffs are losing sales in Mexico to competitors in other countries and U.S. jobs are being lost.

Despite occasional optimistic remarks by Secretary LaHood suggesting that his 18-month effort to craft a cross-border trucking program would soon end this trade dispute, no progress has been made. Surprisingly, the Mexican Embassy recently stated that no proposal has yet to be presented to the Mexican government for consideration.

On August 18, Mexico published a revised list of U.S. exports against which tariffs ranging from 5 to 25 percent are now being imposed in retaliation for the failure of the United States to fulfill its NAFTA obligations on trucking. The list now comprises 99 items, up from the 89 that had been on the original retaliation list implemented in March 2009. The total export value of the products on the revised list is \$2.02 billion, based on calendar 2009 data. Unfortunately, the value of these exports will likely be much lower in the future as a result of these tariffs.

Producers of both manufactured goods and agricultural products on the list are caught in the cross-fire of a trade dispute in which they are innocent bystanders. And nearly any producer in the U.S. might at some point be hit. In announcing the revised list in August, Mexican Minister of the Economy Bruno Ferrari told reporters that Mexico will keep revising the list, as necessary, to affect a broader spectrum of goods. The aim, he said, is to add an element of uncertainty for U.S. exporters not yet directly affected by the retaliatory tariffs.

Producers of pork, cheeses, sweet corn, pistachios, apples, certain adhesives, gloves, floor coverings, containers, trench diggers and other products that were added to the list in August can attest to the negative impact the action will have on their exports if the tariffs are not soon lifted.

They only have to look at the damage inflicted on producers of the goods on the original list, most of which remain on the new list, to understand how much they stand to lose from this retaliation. If the trucking dispute is allowed to persist, even more American producers are likely to be harmed.

Mr. President, the signatories to this letter applauded when you announced in your State of the Union Message the Administration's objective of doubling U.S. exports in five years. We want this objective to be realized and will do all we can to help you achieve it. As you have rightly pointed out, increased exports create jobs. By the same token, lost exports cost jobs. And, as many of us have learned the hard way, exports that are lost are very hard to recapture once new supply chains are established with third-country competitors.

U.S. Trade Representative Kirk has frequently stated that enforcement of trade agreements is a key pillar of the Administration's trade agenda. He has said, and we certainly agree, that trade agreements are of little value and will not be supported by the public if they are not enforced. Our insistence that other nations abide by their trade agreement obligations is only credible if we practice what we preach.

You have said that you want a solution to the trucking issue that is consistent with our NAFTA obligations. We urge you to renew the Administration's efforts to do just that, and to do it without delay. Otherwise, we stand to lose thousands of jobs involved in the production, processing and transportation of the goods that are subject to Mexico's retaliation.

Respectfully,

The Alliance to Keep U.S. Jobs

American Apparel & Footwear Association American Association of Exporters & Importers American Chamber of Commerce of Mexico. A.C. American Chemistry Council American Cotton Shippers Association American Farm Bureau Federation American Feed Industry Association American Forest & Paper Association American Frozen Food Institute American Institute for International Steel American Meat Institute American Nursery & Landscape Association American Peanut Council American Peanut Product Manufacturers, Inc. American Renderers Association American Seed Trade Association American Soybean Association American Trucking Associations Amway **Appleton Paper** Apricot Producers of California Archer Daniels Midland Company (ADM) Association of Equipment Manufacturers **Blue Diamond Growers Business Roundtable** California Agriculture Issues Forum California Cherry Export Association California Dried Plum Board California Farm Bureau Federation California Fig Advisory Board California Grain & Feed Association California Grape and Tree Fruit League California League of Food Processors California Pear Advisory Board California Seed Association California Strawberry Commission California Table Grape Commission California Tomato Growers Association California Walnut Commission Campbell Soup Company Cargill, Incorporated Caterpillar **Chiquita Brands** 

**Commodity Markets Council** ConAgra Foods, Inc. **Consumer Electronics Association** Continental Express Inc. Corn Refiners Association **CropLife America Dallas Regional Chamber** Dart Container Corporation DHL Express USA Distilled Spirits Council of the United States Emergency Committee for American Trade Fashion Accessories Shippers Association Free Trade Alliance Frozen Potato Products Institute General Electric Company Georgia Fruit and Vegetable Growers Association Glatfelter Glanbia Foods Grocery Manufacturers Association Grower-Shipper Association of Central California Grower-Shipper Association of Santa Barbara and San Luis Obispo Counties Herbalife International of America, Inc. Hormel Foods Corporation International Dairy Foods Association Jefferson Waterman International JR Simplot Company Kraft Foods Louis Dreyfus Commodities Magination Consulting International Manatt Phillips Mars Incorporated Mary Kay, Inc. NASDA National Association of Wheat Growers National Barley Grower's Association National Beef Packing Company National Cattlemen's Beef Association National Chicken Council National Christmas Tree Association National Council of Farmer Cooperatives National Electrical Manufacturers Association National Foreign Trade Council

National Grain and Feed Association National Grange National Milk Producers Federation National Oilseed Processors Association National Pork Producers Council National Potato Council National Renderers Association National Sorghum Producers National Sunflower Association National Turkey Federation National Watermelon Association Nestle Purina PetCare Company Nestle USA Nisei Farmers League North American Equipment Dealers Association North American Export Grain Association North American Millers' Association Northwest Horticultural Council Ocean Spray Cranberries, Inc. Ohio Alliance for International Trade Oregon Association of Nurseries Pacific Egg & Poultry Association Panasonic Corporation of North America PepsiCo, Inc. Personal Care Products Council Pet Food Institute **Plastic Express** Proctor & Gamble Produce Marketing Association **RR** Donnelley Retail Industry Leaders Association Schering-Plough Seaboard Foods, LLC **Smithfield Foods Snack Food Association** STR Sunsweet Growers, Inc. Sweetener Users Association TBM Carriers. Inc TechAmerica **Texas Vegetable Association** The Fertilizer Institute The Hershey Company The Popcorn Institute Travel Goods Association

Truss World, Inc. **Tyson Foods** U.S. Apple Association U.S. Canola Association U.S. Chamber of Commerce U.S. Dairy Export Council U.S. Grains Council U.S. Hides, Skins, and Leather Association U.S. Meat Export Federation U.S. Premium Beef **U.S. Rice Producers Association** U.S. Wheat Associates, Inc. Unilever United States, Inc. United Egg Association United Egg Producers United Fresh Produce Association United States - Mexico Chamber of Commerce United States Association of Importers of Textiles and Apparel United States Council for International **Business** United States Dry Bean Council USA Dry Pea & Lentil Council USA Poultry & Egg Export Council **USA Rice Federation** Ventura County Agricultural Association Viagen Wal-Mart Stores, Inc. Washington State Council for International Trade Western Growers Association Western Pistachio Association Western United Dairymen Wine Institute Yum Brands