



News Release

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Apple Growers Applaud Move to Help Resolve Mexican Trucking Issue

USApple Urges Obama Administration to Bring Quick End to Dispute

VIENNA, VA – The U.S. Apple Association (USApple) today applauded a move by the Obama Administration toward ending a longstanding trucking dispute with Mexico. The conflict resulted in a 20 percent tariff on apple exports to Mexico.

Secretary of Transportation Ray LaHood announced yesterday that the administration is circulating a proposal for re-opening U.S. roads to Mexican trucking companies, a starting point in an attempt to resolve a longstanding trade dispute. The Transportation Department released the proposal after showing it to members of Congress. It lays out conditions that Mexican long-haul truck carriers would have to meet, including a safety audit, emissions standards and driver background checks.

“American apple growers welcome this important step toward reaching agreement to end the trucking dispute,” stated USApple President and CEO Nancy Foster. “The delay in action on this issue is costing billions to U.S. farmers and harming opportunities to grow future U.S. apple exports.”

Last August, the Mexican government added fresh apples and processed apple products to the list of American products it is retaliating against in reprisal for the United States not complying with a provision of the 1994 North American Free Trade Agreement (NAFTA). The NAFTA obligation allows Mexican trucks to haul goods into America and was supposed to become effective in December 1995.

The dispute first arose in March 2009 when the U.S. Congress terminated the U.S.-Mexico Cross Border Trucking Pilot Program, which let a limited number of Mexican trucking companies haul freight beyond a 25-mile U.S. commercial zone. As a result, the U.S. violated aspects of bilateral trade obligations with Mexico established through NAFTA. In response, the Mexican government instituted retaliatory tariffs on \$2.4 billion worth of U.S. manufactured and agricultural exports. Due to inaction by the Obama Administration to resolve this problem in

order to meet its trade obligations, the Mexican government plans to continue pressuring key U.S. industries by maintaining duties on American goods, including apples.

Mexico is the largest export market for U.S. apples. Last year, Mexico imported 11.5 million boxes (bushels) of fresh U.S. apples worth \$207 million – 27.5 % of total U.S. apple export value.

In anticipation of the new tariffs, USApple joined the Alliance to Keep U.S. Jobs, a broad business coalition working to resolve the dispute. The coalition has been meeting with officials at the Department of Transportation and the United States Trade Representative in hopes of expediting a resolution to the dispute. USApple is also enlisting the support of apple state congressional offices in the effort.

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The U.S. Apple Association (USApple) is the national trade association representing the apple industry. Members include 36 state and regional apple associations representing the 7,500 apple growers throughout the country, as well as more than 300 individual firms involved in the apple business. USApple's mission is to help facilitate the profitable production and marketing of apples and apple products through advocacy efforts, crisis issues management, and nutrition research and promotion.