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American Frozen Food Institute Welcomes Deal to End U.S.-Mexico Trucking Dispute

McLean, VA – American Frozen Food Institute President and CEO Kraig R. Naasz issued the following statement commending a joint agreement announced by President Obama and Mexican President Felipe Calderón to end a lengthy cross-border trucking dispute that has resulted in various U.S. frozen food exports being subject to punitive Mexican retaliatory tariffs.

“AFFI has long engaged with federal policymakers to help end the protracted U.S.-Mexican trucking dispute, which has wreaked economic havoc on U.S. exporters of frozen potato products, frozen sweet corn and frozen ham in the form of lost jobs and lost market access.

“The agreement announced during President Calderón’s visit to Washington, D.C., this week represents a fair and equitable solution that will bring the U.S. into compliance with its international trade commitments and begin repairing the substantial economic harm suffered by frozen food producers.

“AFFI is committed to working with the White House and Congress to ensure the deal is fully implemented as soon as possible so that we can resume normal trade with Mexico and offer much needed relief to U.S. frozen food producers.”

The joint agreement creates a reciprocal, phased-in program that permits Mexican and U.S. long-haul carriers to engage in cross-border operations under the North American Free Trade Agreement. Mexico will reduce its penalty tariffs by 50 percent when the settlement is formally signed by both countries and will remove all remaining retaliatory tariffs following the first U.S. authorization allowing a Mexican carrier to engage in cross-border operations.

Mexico imposed a 20 percent tariff on U.S. frozen potato products in 2009 after the U.S. cancelled a cross-border trucking pilot program, costing U.S. exporters more than \$33 million in lost revenue. Though that tariff was reduced to 5 percent in August 2010, Mexico expanded its tariff retaliation list to include imports of U.S. frozen sweet corn and frozen ham.

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The American Frozen Food Institute is the national trade association promoting and representing the interests of all segments of the frozen food industry. AFFI works to foster industry development and growth, and advocates before legislative and regulatory entities on the industry's behalf. More information can be found at www.affi.com.