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NMPF and USDEC Support Program to Comply with NAFTA Trucking Agreement; U.S. Dairy Industry Welcomes Lifting of Mexican Retaliation Tariffs

The National Milk Producers Federation (NMPF) and the U.S. Dairy Export Council (USDEC) today hailed the full and complete lifting of retaliatory tariffs by Mexico in the cross-border trucking dispute. This action came after the U.S. Department of Transportation (DOT) implemented a pilot program to allow a selected number of Mexican carriers to operate on the U.S. side of the border under strict safety standards.

“These actions mean that dairy products on Mexico’s retaliation list will now be free of the 20-25% tariffs that were restricting access to our best foreign market,” said Tom Suber, president of USDEC. Mexico’s retaliation against a total of \$2.4 billion in U.S. exports had come after successfully challenging the U.S. ban on Mexican trucks that has remained in place, despite a 1994 U.S. commitment under NAFTA to lift it.

“It is a huge relief to cheese processors and their dairy farmer suppliers that their products will no longer be caught in the crossfire of a dispute not of their making,” Suber said. “We are convinced that the DOT program will lead to a permanent solution to this 17-year long dispute, in a manner that will uphold strong safety standards for U.S. roads.”

The DOT pilot program announced in April provided for a 30-day comment period and another period of approximately 30 days to assess the comments received. Subsequently, DOT published a final Federal Register Notice, which outlined the implementation process for the project. Based on this notice, a final agreement was



signed by the U.S. and Mexico, and Mexico immediately reduced its retaliatory tariffs on all products by 50%. Removal of the remaining tariffs only awaited today's Mexico Federal Register announcing the Mexican President's action of accepting that the first Mexican carrier as eligible to operate across the border.

Jerry Kozak, president and CEO of NMPF, also applauded the actions by both sides to resolve the dispute, and urged members of Congress to allow the program to work.

"We appreciate the efforts by officials in both governments to follow through on the March agreement by Presidents Obama and Calderon to address concerns on both sides of the border, and allow us to once again fully service the fast-growing Mexican dairy market," Kozak said. "We now hope that political pressures to nullify the arrangement can be resisted so that the thousands of jobs that were lost due to the blow to our exports can be recovered," he added.

The U.S. Dairy Export Council (USDEC) is a non-profit, independent membership organization that represents the global trade interests of U.S. dairy producers, proprietary processors and cooperatives, ingredient suppliers and export traders. Its mission is to enhance U.S. global competitiveness and assist the U.S. industry to increase its global dairy ingredient sales and exports of U.S. dairy products. USDEC accomplishes this through programs in market development that build global demand for U.S. dairy products, resolve market access barriers and advance industry trade policy goals. USDEC is supported by staff across the United States and overseas in Mexico, South America, Asia, Middle East and Europe.

The National Milk Producers Federation (NMPF), based in Arlington, Va., develops and carries out policies that advance the well-being of U.S. dairy producers and the cooperatives they collectively own. The members of NMPF's 31 cooperatives produce the majority of the U.S. milk supply, making NMPF the voice of more than 32,000 dairy producers on Capitol Hill and with government agencies. For more on NMPF's activities, visit www.nmpf.org.

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