From the Yakima Herald-Republic Online News.

Posted on Friday, July 08, 2011

Deal resolves dispute that needlessly hurt growers

Yakima Herald-Republic editorial board

This editorial was printed in the Sunday, July 10 edition of the Yakima Herald-Republic.

Yakima Valley fruit growers have suffered considerable collateral damage from a trade battle between the United States and Mexico. Peace is at hand after Wednesday's announcement that Mexico has agreed to lift its 20 percent retaliatory tariff on apples, cherries, pears and apricots. But growers shouldn't have been caught in the crossfire to begin with; there should have been no crossfire.

Mexico imposed the tariff in 2009 in retaliation for the United States reneging on an agreement to allow Mexican trucks north of the border, ratcheting up a dispute that had simmered for 15 years. A historical review by the Cato Institute, which advocates free markets, reported that under a provision in the North American Free Trade Agreement, Mexican trucks were to be allowed to compete in U.S. border states starting in 1995 and throughout the entire nation by 2000. But the Teamsters union leaned on then-President Bill Clinton, who cited alleged safety issues in suspending the trucking provision.

In 2001, a NAFTA panel ruled the trucking ban had violated the free-trade agreement, and three years later the U.S. Supreme Court unanimously struck down the prohibition. From there, a pilot program was developed to allow a limited number of Mexican trucks to enter the U.S. market. But again, under pressure from the Teamsters, the Democratic-controlled Congress failed to fund the pilot program in 2008. Mexico struck back, imposing the tariff a year later.

Under the agreement announced Wednesday, half the tariff was to be removed by the end of last week, the other half five days after the Transportation Department certifies the first Mexican carrier to participate in the trucking program. That is expected later this summer.

Mexico is a major market -- in fact, it's the state's largest apple export market with more than 10 million boxes shipped annually. The tariffs have cost apple growers an estimated \$44 million annually since they were implemented. The Northwest Horticultural Council estimates the pear, cherry and apricot industries have lost \$30 million since the implementation of the tariffs.

The Teamsters signaled last week that the union would continue to fight the trucking program. The union claims the agreement will cost jobs -- Teamster trucker jobs -- and threaten safety. The union's employment argument ignores jobs lost in the sales and shipment of fruit to the south during the time of the tariffs. Meanwhile, when the Department of Transportation conducted a safety inspection of U.S. and Mexican trucks, it found more violations in American trucks than in Mexican vehicles.

The agreement comes with safety safeguards. Mexican trucks must meet federal vehicle standards, drivers' records will be checked, drug-testing samples will be analyzed, drivers must show they understand English and U.S. traffic signs, and trucks will have electronic monitoring systems to keep drivers within the maximum hours of operation.

The state's congressional delegation has these arguments and a united front in rebutting efforts to undo this

1 of 2 7/11/2011 9:57 AM

deal. Democratic Sens. Patty Murray and Maria Cantwell praised the agreement last week; both have strong ties with labor in this state, but both understand the important role of trade in the economy of this nation and this Valley. We urge them to speak and act forcefully against any effort to undo this agreement. The House since 2008 has flipped to Republican control and will be more receptive to free-trade arguments. Fourth District Rep. Doc Hastings of Pasco expressed hope last week that any renewed effort to cut off funding would fall short.

We live and conduct business in a global market, and protectionist actions like these protect only against economic vitality. The real downside is the actions hurt people who had nothing to do with the problem in the first place. The upside is this deal was announced just as the cherry crop is coming in, and it will be in full force in time for the fall harvest. This will help Valley growers start making up for needlessly lost time and lost revenue.

* Members of the Yakima Herald-Republic editorial board are Sharon J. Prill, Bob Crider, Frank Purdy and Karen Troianello.

2 of 2 7/11/2011 9:57 AM