

COUNCIL FOR INTERNATIONAL TRADE

CALIFORNIA CHAMBER of COMMERCE



April 13, 2009

The Honorable Barack Obama
President of the United States
The White House
1600 Pennsylvania Ave
Washington, DC 20005
VIA FACSIMILE

Dear President Obama,

Re: North American Free Trade Agreement Cross-Border Trucking

We, the undersigned companies and business organizations of the California Coalition for Free Trade, urge you to resolve the North American Free Trade Agreement (NAFTA) Cross-Border Trucking Dispute with Mexico.

We are supportive of NAFTA and understand that a 2001 dispute-settlement panel unanimously ruled that the blanket exclusion of Mexican trucking firms violates US obligations under the NAFTA. Mexico's retaliation for the US refusal to implement the cross-border trucking provisions of the Agreement has resulted in harm to California's economy. The US should honor its commitment to NAFTA.

Mexico's retaliation imposes tariffs on products from 40 states ranging from dental floss to Christmas trees. The targeted California agricultural products include 27 fresh and processed products worth \$214 million (2007) ranging from grapes to almonds. Mexico is California's largest trading partner.

With a global recession, California stands to lose more than most states with moves toward protectionism. The California Coalition for Free Trade opposes unnecessary and trade-restrictive measures. California maintains its perennial position as a top exporting state and we lead the nation in export-related jobs. California exports amount to over \$134 billion annually. A move to protectionism, such as barring trucks from Mexico, only invites retaliation from our trade partners which negatively affects trade-related jobs in our state.

The California Coalition for Free Trade was initiated in May of 2008 by the California Chamber of Commerce Council for International Trade. This group of California companies and business organizations believe that opening markets and promoting fair trade rules are critical for California's economy. The Coalition is supportive of current and pending Free Trade Agreements.

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California is one of the 10 largest economies in the world with a gross state product of over \$1.8 trillion. International related commerce (including exports and imports of goods and services) accounts for approximately one-quarter of the state's economy. Although trade is a nationally determined policy issue, its impact on California is immense. California exports to over 220 foreign markets. Trade offers the opportunity to expand the role of California's exports. In its broadest terms, trade can literally feed the world and raise the living standards of those around us.

The Coalition supports free trade worldwide, expansion of international trade and investment, fair and equitable market access for California products abroad, and elimination of disincentives that impede the international competitiveness of California business. Further, the Coalition opposes protectionism that results in higher prices to the consumer for the specific product protected and in limited choices of products for consumers. Protectionism causes a net loss of jobs in related industries, retaliation by our trading partners, and violates Trade Agreements.

America's standing as world leader depends directly upon our competitive success in the global economy. For over half a century, the United States has led the world in breaking down barriers to trade and in creating a fairer and freer international trading system based on market economics and the rule of law. Increased market access achieved through trade agreements has played a major role in our nation's success as the world's leading exporter.

The Coalition supports allowing California companies to compete more effectively in foreign markets, as well as to attract foreign business to California. Increased protectionism has not helped our economy in the past and it won't in today's increasingly global economy.

Thank you for your immediate consideration of the NAFTA Cross-Border Trucking Dispute.

Sincerely,

The California Coalition for Free Trade
(members listed below)

Cc: US Trade Representative Ron Kirk
Members of the CA Congressional Delegation
Governor Arnold Schwarzenegger, State of California

California Coalition for Free Trade Member Companies April, 2009

32 South, Inc.
Arrowhead Credit Union
Bear Creek Winery
Blue Diamond Growers
California Chamber of Commerce
California Wine Institute
Cange International Inc.
Caterpillar Inc.
Chevron
CNA Insurance Companies
East Bay
Center for International
Trade Development
El Camino College
Center for International
Trade Development
Fillner Construction Inc.
Foxx Hunter Farms
HBLA Certified Public Accountant
Hitchcock Automotive Resources
Hitchcock Commercial Properties
Hunter International
Ironstone Vineyards
Irvine Chamber of Commerce
John Kautz Farms
Kikkoman Foods, Inc.
Long Beach Area
Chamber of Commerce
Los Angeles Area
Chamber of Commerce
Los Angeles Metro
Hispanic Chambers of Commerce
Lyles Diversified, Inc.
McKenna, Long & Aldridge
Merrill Lynch - Mill Valley

Montebello Chamber of Commerce
Monterey Bay
International Trade Association
Moon Shot Communications
Motion Picture Assn. of America
News Corporation / Fox Entertainment Group
North County BMW
Northern California
World Trade Center
Northridge Toyota
OceanWind International Inc.
Oliva Global Communications
Oracle Corporation
Orange County Bus. Council
Otis McAllister, Inc.
Pacific Resources
Paramount Farms
Puente Hills Toyota
RB International
Ruiz Foods
San Dimas
Chamber of Commerce
Silicon Valley CITD
South Bay BMW
South Orange County Regional
Chambers of Commerce
SunWest Foods, Inc.
Systems Integrated, Inc.
The Boeing Company
The California Parks Co.
The Dow Chemical Company
Toyota of Santa Barbara
Voiland Enterprises
WJ Byrnes & Co.